

7 JANUARY 1988



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# ***JPRS Report***

# **West Europe**

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7 JANUARY 1988

## WEST EUROPE

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## POLL FINDS LITTLE INTEREST IN PRESIDENTIAL ELECTION

36170007f Helsinki HELSINGIN SANOMAT in Finnish 15 Oct 87 p 2

[Editorial: "Alarming Interim Report"]

[Text] A recent opinion poll reveals that citizens are reacting to the presidential election in an alarming way. Electors' role in the two-phase election threatens to be a complete failure since 40 percent of those polled stated that they would vote only for the presidential candidate next winter.

It is evident that the nomination of a candidate by the electors, the press' mounting interest in the elections, the heating-up of the election campaign, election publicity and the Justice Ministry's information campaign are reducing the number of voters who will disregard the electors' election. But the alarm should nevertheless quickly be sounded and loudly. What else could we still do to get citizens to use their votes in the electors' election as well?

Citizens' negative attitude toward the two-phase presidential election is apparent in the results of the opinion poll. The damage has, however, already been done. The next presidential elections will be held as two-phase elections. From the standpoint of democracy, it would be important for the results of both votes to correspond as closely as possible to citizens' actual opinions.

Some professional public relations men have recently warned us about the complexity of the new election system and the modest nature of the Justice Ministry's information campaign. In their opinion, the campaign was launched too late and too little has been spent on it. Now it would appear that their fears are fully warranted, if not underestimated. Specifically, people must, in addition to the new election system, also be informed as to why voting for electors is necessary, even though they do not want to.

11466

## POLL FINDS GORBACHEV FAR AHEAD OF REAGAN AS FAVORED STATESMAN

Helsinki HELSINGIN SANOMAT in Finnish 3 Nov 87 p 13

[Article: "Gorbachev Finns' Favorite Statesman"]

[Text] Finns regard Soviet Communist Party First Secretary Mikhail Gorbachev as a modern head of state who promotes peace, is capable of compromise, and inspires trust and respect. On the other hand, Finns consider U.S. President Ronald Reagan a cocksure leader and a threat to peace.

These were the results of an opinion poll conducted by the M Information Center for SAVON SANOMAT in which Finns were asked what they thought of Gorbachev, Reagan, West German Chancellor Helmut Kohl, French President Francois Mitterrand, and British Prime Minister Margaret Thatcher.

In response to a question about which of the five leaders they believed had a positive effect on world peace, 74 percent of the Finns named Gorbachev. The next leader most often viewed as promoting peace was Chancellor Kohl. Only 9 percent of the respondents mentioned Reagan.

When the question was asked about who directly threatens world peace, Reagan was an overwhelming first choice. Three out of four respondents thought he was a menace to peace. Six percent of the respondents named Gorbachev as a threat to peace.

In reply to a question about whose work has been especially beneficial to Finland and the entire world, 71 percent mentioned Gorbachev and 8 percent Reagan.

Nearly half the respondents considered Gorbachev a person who inspires trust and respect and who is fair-minded and capable of cooperation. Only in belligerence and cocksureness did Reagan beat Gorbachev: 50 percent of the respondents regarded Reagan as cocksure, 43 percent Thatcher, but just 14 percent Gorbachev.

Fifty-six percent of the respondents believed in Gorbachev's willingness to compromise, 8 percent in Reagan's, and 9 percent in Thatcher's.

12327

CSO: 3617/0014

## PAPER ON SDP'S LOSING CONTROL OF METAL WORKERS TO COMMUNISTS

Helsinki HELSINGIN SANOMAT in Finnish 5 Nov 87 p 2

[Editorial: "SDP's Bitter Defeat"]

[Text] The social democrats' defeat in the Metalworkers Union elections will not be without its consequences. The Social Democratic Party lost 9,000 votes in elections held by the country's most important trade union. The social democrats' relative share of the votes dropped below 50 percent, and the SDP preserved its absolute majority in the union thanks only to electoral mathematics. It is clear that the country's largest party and its organized labor leaders must now ponder their own policy in general and their organized labor policy in particular.

The result of the Metalworkers Union elections is especially irksome to the social democrats because it comes on top of defeat in this spring's parliamentary elections, and the basic reason is the same: the social democrats did not succeed in getting their hard-core metalworker supporters to the polls. Voter turnout declined noticeably, and most of those who did not vote are SDP backers. The Finnish People's Democratic League (SKDL) and the Democratic Alternative (DEVA) gained an impressive victory percentagewise, but in number of votes their success was considerably more modest: they received only about 500 more votes than in the last elections.

It would be an overreaction, however, to expect that defeat in the Metalworkers Union elections will make the social democrats reassess their participation in the government with the Conservative Party. The Conservative-Socialist government is undoubtedly one reason for the SDP's election defeat, but the importance of the Metalworkers Union has its limits, too. Government policy and matters in general clearly outstrip the union in importance.

The result of the Metalworkers Union elections may be reflected in government policy only indirectly and belatedly. The election outcome reminds the SDP that its hold on die-hard supporters continues to slip. But where and how party policy should change is an entirely different matter.

The racket Labor Minister Matti Puhakka made about reorganizing everyday work life shows that random remarks, at least, seem to have no substantial effect



on how people decide to vote. The SDP must seek a solution to its diminishing popularity somewhere other than in last-minute election ploys like promising a child subsidy hike or reorganizing everyday work life. The elections prove unmistakably that the era of political trickery is past.

The election victory of SKDL and DEVA will increase pressure to steer a leftist course and pursue a radical policy in the trade union movement, especially because the Metalworkers Union has always been closely identified with the SDP and the latter's role of trustworthy trailblazer in government policy. The impression of an uncut umbilical cord is further enhanced by the fact that Metalworkers Union Chairman Per-Erik Lundh, like his predecessor, sits on the SDP party committee.

It would be unfortunate for society, however, if the election defeat adds fuel to the fire of labor movement politics and hampers next winter's round of negotiations, which will be troublesome enough as it is. Besides, the reason for the SDP's defeat lies somewhere other than in its policies. The policies of the people's democrats have not differed fundamentally from those of the social democrats, and no one expects the SKDL/DEVA victory to destroy interparty cooperation after the elections.

The social democrats have clout in the government, the major trade unions, and the Central Confederation of Finnish Trade Unions. It is therefore hard for people to understand why, with such a powerful arsenal, the social democrats are unable to substantially affect the structural transformation or even soften its impact. The social democrats are in for a period of serious self-examination. The points of emphasis, at least, must be changed.

12327

CSO: 3617/0014

## SDP SECRETARY IIVARI ON PARTY'S ATTITUDE TO CONSERVATIVES

36170007c Helsinki HELSINGIN SANOMAT in Finnish 22 Oct 87 p 2

[Editorial: "Party Secretary Iivari's Message"]

[Text] The Social Democrats and Conservatives' return to the government coalition last spring was a logical shift in the game of political power. Conservative tradition and attitudes are nevertheless alien to most Social Democratic workers, other grass roots elements and young people yearning for ideological roots. Social Democratic ministers and the party leadership can no longer reach this segment of the population. The party secretary must also, on the other hand, have roots.

Alienation from the masses is also a sensitive issue for a worker party. The situation is now truly problematic for the SDP [Social Democratic Party] because of division among the workers, structural change, the rise in the standard of living and the Conservative Party's low profile. Because of the elections too, the SDP had to emphasize to its own people, supporters and the KEPU [Center Party] as well, through its party secretary, that the government coalition was due to circumstances, not preference.

Party secretary Ulpu Iivari expressed the situation with words that would have caused a stir if they had been statements made by party ministers or hard line decision-makers. This time the message went home just as we supposed that the Social Democrats had hoped it would. The silence in their and the Conservative Party camps and the Centrists' enthusiasm are proof of this. Iivari did not, however, have anything new to say about the SDP's plans.

At issue in this three-party triangle drama is the alienation of one of the parties. The Conservative Party must--having at long last gotten onto the dance floor--play the role it has assumed for as long as it can be sure of the next round as well. During its lengthy period in the opposition the party learned to be patient; now it is wisely taking care not to provoke the Social Democrats. Party secretary Ulpu Iivari also warned her listeners that it would not pay for the Conservative Party to plan a defeat for the SDP in the local elections. The common interest and goal of the SDP and the Conservative Party continue to exist notwithstanding her words, which were heart-warming for the KEPU. The KEPU must be weaned from power and support for it reduced to a corresponding level.

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## CONSTITUTIONALIST PARTY LEADER DOUBTS GROUP'S FUTURE

36500013b Helsinki HUFVUDSTADSELADET in Swedish 6 Oct 87 p 3

[Article: "Georg C Has Doubts About Constitutionalist Party"]

[Text] A party is needed to the right of the National Coalition Party, says Georg C. Ehrnrooth, the chairman of the Constitutionalist Party. But, as things currently stand, he does not think his party can fill the void which, in his opinion, was created on the conservative side of the spectrum of Finnish political life now that the National Coalition Party is in the government.

Ehrnrooth says it is hard for him to be optimistic and believe that the Constitutionalist Party can assume that role when people react so slowly. It is also difficult for a party which has neither party nor press support to campaign for votes.

According to Ehrnrooth, there is also the issue of human resources. He himself is not interested in continuing as chairman but emphasizes that--despite his short-term pessimism--this does not mean the Constitutionalist Party should cease in its work.

The Constitutionalist Party will have its first opportunity to gauge voter support in the upcoming telephone poll. In the parliamentary election the party received 3,000 votes, which means that there was no Constitutionalist Party representation in parliament.

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## KOIVISTO TELLS FOREIGN AFFAIRS PANEL VIEWS ON USSR TRIP

36170007b Helsinki HELSINGIN SANOMAT in Finnish 21 Oct 87 p 7

[Text] According to President Mauno Koivisto, there was nothing dramatic about the Finnish-Soviet talks during which the final communique of the president's state visit was formulated.

Koivisto related his impressions to the parliamentary Foreign Affairs Committee, which visited the presidential palace at the invitation of the president on Tuesday. According to him, the officials negotiated a good communique.

As the conclusion to Koivisto's visit, the negotiations on the communique raised a stir when it became known that, during the preliminary negotiations, the Finns had wanted to omit the usual definition of the Finnish foreign policy line from the final communique. The Soviets, however, wanted to retain the familiar formulas in the communique.

According to Foreign Affairs Committee chairman Markus Aaltonen (Social Democrat), during the conversation lasting about an hour and a half over a cup of coffee, he did not get the impression "that the Finns wanted to change the definition so terribly much."

"Since the world is changing, the meanings of words may also change. We should not stick to the old formulas," Aaltonen interpreted the conversation at the presidential palace afterwards.

In his opinion, this does not, however, mean that the cornerstones of Finland's foreign policy have in some way changed.

## Soviet Trade Discussed

The president and the committee discussed our trade with the Soviets in particularly animated fashion. According to Aaltonen, there are no problems in the political sector, but there are in the trade sector.

"What happens in the Soviet Foreign Trade Ministry is of particular importance from our standpoint. We must adjust to perestroika [Russian: 'reconstruction']. It's part of a worldwide structural change," Aaltonen summed up the tone of the talks.

In addition to his trip to the Soviet Union, President Koivisto also told the committee about his planned state visit to the German Democratic Republic and Jordanian King Hussein's visit to Finland, which ended last week.

The president described his visits as successful and commended the capability of General Secretary Mikhail Gorbachev, who has been out of the public eye for some time now on vacation, as high. General Secretary Gorbachev's coming visit to Finland was not raised as a topic of discussion on Tuesday.

Aside from the visits and the Soviet trade, the willingness of the EC and the CEMA to cooperate, which is now in sight, the situation in the Near East and Finland's connection with the economic unification of Europe were also omitted from the discussion.

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## UN DELEGATE TORNNUDD TELLS OF CONCERN OVER CRUISE MISSILES

36170007d Helsinki HELSINGIN SANOMAT in Finnish 21 Oct 87 p 24

[Article: "Finland Concerned over Cruise Missiles"]

[Text] United Nations, New York (STT)--Finland's delegate to the United Nations, Undersecretary of State Klaus Tornudd, said on Tuesday that Finland is concerned over the leading military powers' ever-increasing introduction of cruise missiles. Because of their flight trajectories, land and sea-based cruise missiles pose an indirect security problem for small countries like Finland.

Finland also feels concern over the continuation of a qualitative arms race and the growing importance of conventional weapons, Tornudd said at the first committee meeting, which dealt with UN General Assembly disarmament issues.

According to Finland, the treaty for the elimination of mid-range nuclear weapons that is taking shape between the superpowers may be a turning point in the history of nuclear weapons. At the same time Finland, however, wants to warn [other nations] of the possible negative effects of the treaty.

## Must Continue Efforts

Tornudd said that Finland calls on both the United States and the Soviet Union to continue their efforts to reach agreement on strategic weapons and space weapons, conventional weapons and nuclear tests.

Arms limitation treaties may, however, affect different areas in different ways. They have an effect on military performance and they may change plans for the deployment of weapons. These treaties may also affect military research and development operations, the manufacture of arms and procurement plans, even military strategies. Tornudd said that in some cases we may even speak of negative areal effects.

## Cruise Missiles Create Instability

As an example of such negative effects, Tornudd cited the superpowers' ever-increasing introduction of air and sea-based cruise missiles. These missiles have inherent properties that create instability, among them difficulties associated with the verification of their number, kind and deployment.

Furthermore, because of their flight trajectories, cruise missiles constitute indirect security problems for neutral countries like Finland, Tornudd said. He reminded his listeners that Finland had since 1978 been appealing to all nuclear powers to limit the development and application of long-range cruise missiles.

#### Research Accelerating

Tornudd said that another trend of development that is causing concern is the accelerating rate of military research and development operations. He cited the qualitative arms race in which particular importance is laid on nuclear weapons, but which is more and more also having an effect as concerns conventional weapons.

Thirdly, the possible reduction in nuclear weapons may have an effect on the role of conventional weapons in Europe. While the possible treaties will endow these weapons with a more important status in the overall balance of power between the two alliances, they will also emphasize the need for negotiations toward greater stability with regard to reductions in conventional weapons, Tornudd said.

Tornudd reminded his listeners that Finland had proposed concrete measures to increase trust in the domain of naval arms limitations. These measures could be the creation of multilateral, so-called incident agreements, prior announcements of naval exercises and the invitation of observers to view them as well as more openness and more regular exchanges of information on naval matters.

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## STALINISTS EXPELLED FROM CP ORGANIZATION AGAIN IN COURTS

36170007a Helsinki HELSINGIN SANOMAT in Finnish 19 Oct 87 p 6

[Text] The eight minority faction--or Stalinist--district organizations expelled from the Finnish Communist Party (SKP) are once again suing the SKP in Helsinki Municipal Court.

The organizations' case has to do with the 21st SKP Congress, organized last June, which the minority faction districts regard as illegal. In their suit they are demanding that the congress decisions be declared null and void.

According to the district organizations, the congress did not have the authority to make decisions because they [the organizations] were not invited to participate in the congress. Instead of the expelled "Stalinist organizations," the majority faction "Aalto organizations" that had been set up alongside them put in an appearance at the congress.

The Stalinists continue to regard their own district organizations as legal members of the SKP. They refer to the ruling handed down by the Helsinki Court of Appeals last June, in which it was officially confirmed that the expulsion of the Stalinist districts carried out by the SKP Central Committee in 1985 was erroneously effected and is therefore invalid.

Participated in by the moderates [alone], the 21st Congress, held in June, once again expelled the Stalinist districts from the SKP. The Stalinist cells as well as the municipal and local district organizations were also expelled.

## New Dispute Is Continuation of Old Ones

The trial that is to begin next month is a continuation of the dispute that began in 1985 over the expulsions carried out within the SKP and which has been thrashed out in various courts before.

In the fall of 1985 the SKP Central Committee expelled the Stalinist districts of Kymenlaakso, Uusimaa, Etelä-Karjala, Tampere, Turku, Lanti, Joensuu and Kuopio from the party. New, moderate organizations were set up in their place.

The decision to expel them was based on changes in the party rules made earlier at a special SKP congress.



According to the Stalinist district organizations, the establishment of new district organizations in the districts of the old ones was illegal since the interests of the old organizations were violated.

Nor was the proposal for the change of rules to be put into effect announced to members 3 months before the congress as required by the party rules either, so the change of rules effected by the congress was illegal.

The Helsinki Municipal Court resolved the dispute over the expulsions in December 1986. According to it, the decision to expel [the district organizations] reached by the Central Committee was invalid because it was based on a congress resolution that was erroneously passed.

In June the Helsinki Court of Appeals confirmed the Municipal Court ruling issued just before the 21st Congress, according to which the decision to expel them was invalid. The Court of Appeals, however, asserted that the new SKP district organizations do not violate the interests of the old ones and are therefore not illegal.

The litigants did not accept the ruling of the Court of Appeals, instead petitioning a higher court for permission to appeal. The court granted them permission to appeal in early September.

Yrjo Hakanen, the vice chairman of SKP Unity, organized by the expelled districts, said that the new suit brought by them is "consistent and logical." The matter has not yet been decided on by a higher court and the Stalinist districts are determined to stick to their original position.

Hakanen said that the situation, in the Stalinists' opinion, would have been a special one if the same sort of congress held after the illegal meeting had not been contested in the same way.

SKP information chief Olav Bjorknecko takes a different view of the Court of Appeals ruling than do the Stalinists. According to him, the Stalinist districts were expelled legally and court's ruling was a bad one from the standpoint of the Stalinists. Hakanen expressly stated that the ruling "was not a bad one."

Bjorknecko described the party's decisions as being explicit and the congresses legally convened. He conceded that he understood the motives for the new suit, but he portrayed the Stalinists as a people standing on a tapered roof whose "tailfeathers are free but whose beak is stuck fast."

The parties to the affair agree on one thing: The unification of the SKP will not be decided in court. Bjorknecko said that they are open to all those who have been expelled on condition that they return as individuals. According to Hakanen, unification is "a matter for SKP members and will require membership with equal standing."

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## MAGAZINE EDITOR RESPONDS TO STATEMENT BY APN OFFICIAL

36170007e Helsinki HELSINGIN SANOMAT in Finnish 15 Oct 87 p 11

[Article: "Chief Editor of MAAILMA JA ME Surprised at Statements by APN Board Chairman"]

[Text] Ilkka Lappalainen, the chief editor of the magazine MAAILMA JA ME, considers statements made by Georgi Fedvashin, the vice chairman of the board of the Soviet news agency, APN (Novosti Press Agency), about the course of the magazine's editorial board meeting to be in part misleading.

At a press conference held on Tuesday, Fedvashin said that "the Finnish-Soviet Society situation was reflected almost as clearly as in a mirror" at the meeting held in Helsinki.

Fedvashin was in Finland attending a meeting of the magazine's editorial board that lasted for a few days.

According to Lappalainen, one gets the impression from this that the difficulties in connection with the development of MAAILMA JA ME are linked with the Finnish-Soviet Society.

"The society has not, however, in any way prevented the development of the magazine in the spirit of perestroika and glasnost," Lappalainen asserted in his statement.

The APN and the Finnish-Soviet Society publish the magazine jointly. According to Lappalainen, the articles supplied by the APN have not corresponded to the development that has taken place in many sectors of the news-gathering field and this is also a problem for MAAILMA JA ME.

"Not a single fresh, courageous article sent by Moscow editors that is in the spirit of perestroika and which blazes new trails has gone unpublished. Anyone can count how many of these have come in and been published in the magazine. On the other hand, some articles in the spirit of perestroika sent in by Helsinki editors have been tampered with by Moscow," the chief editor asserted.

"Fedvashin also maintained that the members of the editorial board said that the magazine was still a good one a few years ago, but that now it has fallen behind the times. No such opinion was expressed at the meeting. It was, however, maintained in statements that the magazine has evolved in a positive direction, although not at a fast enough pace," Lappalainen made it clear.

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## PAPER COMMENTS ON GORBACHEV'S SPEECH ON NORTHERN SEAS ARMS

36500013a Helsinki HUFVUDSTADSBLADET in Swedish 3 Oct 87 p 2

[Editorial by Bo Stenstrom: "Gorbachev On The Seas"; first paragraph is HUFVUDSTADSBLADET's introduction]

[Text] Gorbachev's speech about the northern seas areas and the reasons for the West's reserved response are the subjects of Bo Stenstrom's commentary.

If NATO has an offensive naval strategy, then the Soviet Union has its offensive party leader. After a vacation which raised questions in the West, party secretary Mikhail Gorbachev at once tackled the problem area which has worried Northern Europe after the Washington middle-range missiles agreement.

It has been said that if you squeeze a sausage in the middle, the pressure grows at the ends. One end which is vital for us would be the northern seas areas. Concern that a certain disarmament in Central Europe would increase tension up here emerged from authoritative comments in Finland as well as Denmark and Norway.

As far as Finland is concerned, both the foreign minister and the president tried to update Koivisto's proposal from last fall concerning measures to promote security on the seas.

Party leader Gorbachev has now started thinking in a similar vein. These confidence-building measures should expand to cover the Baltic Sea, the North Sea, the Norwegian Sea and the sea around Greenland.

By confidence-building measures he was directly alluding to some of the things the Stockholm conference dealt with--reports from negotiations about major maneuvers, the calling in of observers--but also to limits on antisubmarine weapons.

In this latter regard he proposed negotiations to cut back on naval and aerial activities on and over those areas.

Regarding international waterways (like the waters around Denmark), he came right out and suggested negotiations about demilitarization. The same would apply to heavily trafficked commercial shipping routes.

He raised the prospect of the Soviet Union's opening an international civilian channel in the north and promised Soviet icebreaker assistance.

On the civilian side, he suggested further measures which would tie the western part of Northern Europe into greater cooperation with the eastern part--a mutual energy program, cooperation in exploiting resources on the Kola Peninsula, and cooperation in a Nordic environmental protection program.

Furthermore he broadly restated the Soviet views advanced by Yegor Ligachov concerning prospects for thinning out to the east of a Nordic zone free of nuclear weapons.

At the same time it looks as if the Soviet Union will make it all the more difficult for the US to not arrive at a compromise over those agreements aimed at resolving controversies about space defense.

In Norway and the US and at NATO Supreme Headquarters, the applause was most reserved. In Norway, NATO solidarity was stressed. Oslo emphasized that no thought is being given to riding roughshod over civilians or the military.

NATO's reserved attitude must be seen in light of the fact that the combination of rather specific and more general proposals in Gorbachev's speech is open.

Thus far the reported offensive naval strategy has not brought about any major NATO presence in the northern seas.

This strategy is a naval application of the 20-year-old doctrine of an offensive and flexible defense, which need not result in aggressive behavior by NATO naval forces in peacetime.

For Norway, it has been evident throughout the NATO era that Norway's prospects of getting help in a crisis situation depend on how important the alliance thinks Norway is for the protection of connections between the US and Central Europe across the Atlantic.

Over the years these connections have been seen as more threatened by the construction of the Northern Fleet--and the submarine fleet in particular--which the Soviet Union underwrote in the 70's. For this reason NATO and American naval strategists have been particularly concerned with being able to destroy the big Soviet submarines equipped with nuclear weapons at the earliest stage possible in case of crisis or war.

The Soviet Union's surface forces have not had the same significance at all.

Soviet submarines depend on landbased communications facilities in sea regions quite far from being controlled from air bases in Norway, Iceland and Greenland.

It is therefore clearly in the Soviet interest to limit antisubmarine weapons, not the least at this stage. The US, for example, has plans to expand arma-



ments with cruise missiles, but the really advanced version will be re for deployment only in the 1990's.

Reducing military activities in the waters mentioned by Gorbachev would also call a halt to major Western maneuvers of the "Northern Wedding" variety, which have involved the major parts of precisely these sea areas.

Of relevance is the fact that US naval strategists see offensive naval strategy as global. A strike against the Pacific Ocean region will be deterred with threats of countermeasures, in the northern seas areas, for example.

Furthermore it is of vital interest to the Soviet Union to demilitarize the waters around Denmark.

To counter this, Gorbachev offers an international channel in the north, civilian cooperation around the North Cape, and thinning out middle-range weapons to the east of Finno-Scandinavia.

These confidence-building measures require some new thinking as well. Even during the Stockholm conference the East pushed to have the sea areas bordering on Europe included. In the Soviet Union there was astonishment at the fact that a step from the gangway of an American war ship was all that separated an American sailor from Europe.

The US sees itself as a naval power and the Soviet Union as a land power. It will be difficult for the US to view the northern seas areas as an isolated set of problems.

To a certain extent, the American economy can soften attitudes towards Gorbachev's proposal.

The money for these major plans will not be found, certainly not before the big budget deficits are reduced sooner or later.

It is to be hoped that smaller, more easily realizable pieces will crystallize from Gorbachev's speech. In this respect as well the policy of small steps obtains even if they can sometimes be combined into a somewhat bigger stride.

As far as thinking about the Nordic zone is concerned, measures in the naval areas and the Soviet areas adjacent to the proposed zone would be a step forward. At the very least it would begin to touch on what Norway has viewed in a larger European context.

As regards Finland, it must have delighted the homeward bound president to learn that there is someone who understands him, and this at a prestigious level before the Moscow visit and the presidential election.

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## BUDGET COOPERATION WITH LABOR PARTY SPLITS CHRISTIANS, CENTER

## Poll Reveals Wide Dissension

36390013 Oslo AFTENPOSTEN in Norwegian 7 Nov 87 p 11

[Article by Kjell Hanssen: "Budget Cooperation With Labor Party Splits Christian People's Party and Center Party"]

[Text] The budget cooperation with the Labor Party has created a deep split in the Center Party (Sp) and the Christian People's Party (KrF). This emerges from an opinion poll conducted for AFTENPOSTEN by Norsk Gallup on Wednesday and Thursday of this week, as the finance debate was going on in the Storting. The poll is based on 1,000 telephone interviews.

Among Sp voters fewer than one-half, 44 percent, think it was right for the party to enter into a budget agreement with the Labor Party. Thirty-two percent think the Sp ought in stead to have cooperated with the Conservative Party. Twenty-two percent had no opinion.

In the KrF as well the budget agreement with the Labor Party is very controversial. Only one out of two KrF voters (50 percent) approves of the Labor Party as a budget partner, while 22 percent say the party should have sought an agreement with the Conservative Party.

But the problems of the two middle parties are not over there. Because in both parties uncertainty is now increasing over where each one stands. Every fifth center voter thinks that KrF/Sp as well should aim at putting a government together with the Labor Party. One-half of the electorate nevertheless maintains that the aim must be a government with the Conservative Party. The figures are almost identical: 20-50 for the KrF, 20-51 for the Sp. Thus both parties now have a significant minority which thinks the Labor Party should be the lasting cooperative partner.

This is a dangerous situation and comes on top of the worst electoral result both parties have had since the war. Internal doubt as to the direction a party will take has always proved destructive of confidence and support from the voters.

## Conservative And Labor

As expected, the poll shows that the Conservative and Labor Parties have more order in their ranks as regards a view of these cooperative conditions. Seventy-seven percent of Conservative voters disagree with center-Labor co-operation, while 76 percent of Mrs Harlem Brundtland's find it quite in order.

Opinions are somewhat more divided in the Progressive Party. Fifteen percent find it natural for the center parties to have entered into a budget agreement with the Labor Party. A majority, however, 54 percent, says that the co-operation ought to have occurred with the Conservative Party. And while 13 percent of Hagen's voters think the Labor Party is an acceptable government partner for the parties in the middle, 59 percent think they ought to find their way back to the Conservative Party.

## Future Government?

Gallup also asked which parties should be represented in a future nonsocialist government. Here the picture becomes significantly more complex than before. The solution enjoying the greatest support is still a three-party cooperation after the model of the Willoch government, or Conservative-KrF-Sp. This model receives the greatest support in the Center Party (59 percent). The enthusiasm within the Conservative Party is less: 34 percent. The same is true of the KrF (39 percent).

A government of all four nonsocialist parties arouses a certain interest in the Conservative Party and the Progressive Party (15 and 16 percent), but is rejected almost entirely by middle party voters. In the KrF, 12 percent prefer a two-party government with the Conservative Party. Hagen's supporters are the most attracted by government cooperation between the Conservative and Progressive Parties. Thirty-four percent recommend this solution, while 16 percent want a four-party government.

Support for "other alternatives" in the poll was 18 percent in the KrF, and 17 percent in the Sp. This includes different forms of center government but also more surprising solutions. Thus Gallup recorded a not insignificant interest in the KrF in government cooperation with the Progressive Party!

## Paper On Nonsocialist Division

Oslo AFTENPOSTEN in Norwegian 9 Nov 87 p 10

[Editorial: "A Parting Of The Ways"]

[Text] If a coalition government of the Conservative, Christian People's and Center Parties were to be put together again, it would have to happen despite those positions which have been so clearly enunciated by Kjell Magne Bondevik and Johan J. Jakobsen in connection with this fall's handling of the budget. For the second time in a row the Christian People's Party and the Center Party have parted company with the Conservative Party and instead entered into an agreement with the Labor Party on central aspects of economic policy. The choice of party direction which this reveals will make it particularly difficult to recreate a broad nonsocialist alternative--with reliability intact.

The middle parties' choice of a cooperation partner has presumably been carefully considered, from the point of view of party leaders. It is thus also a choice of major political proportions. They have departed from the substantial principles of what a year and a half ago emerged as a common and solidly grounded nonsocialist policy. And Bondevik and Jakobsen have done this in spite of innumerable requests from nonsocialist forces favorable towards cooperation. There were incessant warnings about the detrimental effects a leftward turn would have on policy and economics.

What is happening in the Storting this fall will to an increasing extent seem like a paradox with a view towards the 1989 parliamentary election and which prospects there will be at that time for presenting a reliable government alternative on the nonsocialist side. Such an alternative--if it is to have any rational object at all--must reasonably set out the dividing lines separating socialist and nonsocialist policy. It will, in other words, stand in sharp contrast to the confusion which characterizes the agreement between the Labor Party and the middle parties.

An opinion poll published in AFTENPOSTEN before the weekend shows that the budget cooperation with the Labor Party has created a deep split in the Christian People's Party and the Center Party. For our part, we have no difficulty in understanding that many middle party voters react strongly when the two parties enter into an alliance with the Labor Party and thereby snatch away the basis for broad nonsocialist cooperation. It is not in the least remarkable that more people are talking about spinelessness and broken promises.

When Bondevik and others try to lay the blame on the Conservative Party for the fact that nonsocialist cooperation did not come about, this is a serious distortion of the facts. Here as well the facts will speak for themselves. While the middle parties early on went and announced that they wanted to make "the center" an independent political alternative, the Conservative Party was alone in striking a blow for the broadest possible cooperation on the nonsocialist side.

When did we last hear Bondevik and Jakobsen talk about the necessity of a united nonsocialist alternative to the Labor Party? And what did these two gentlemen do to shape a nonsocialist budget compromise? There is nothing at all to bear out the assertion that it should have been possible to arrive at such a compromise this fall. But it is self-evident that cooperation among the parties which were once together in the government has to build on a nonsocialist policy. Unfortunately this is precisely where the middle parties have their problem.

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## POLLS REVEALS MAJORITY SATISFIED WITH MONARCHY, MONARCH

35480024 Madrid TIEMPO in Spanish 19 Oct 87 pp 23-32

[Article by Pedro Paramo: "First 'Referendum' on the Monarch"]

[Text] Nearly three out of every four Spaniards prefer the monarchy to the republic, and 95 percent have a "good" or "very good" image of Don Juan Carlos. Even the majority of Socialist voters claim to be monarchists, as disclosed by this poll taken for TIEMPO by Sigma Dos. This consultation of the people, the first made in Spain to evaluate the king and the monarchy, shows the image of a moderately conservative sovereign, who maintains his independence from political disputes, and who is popular, democratic, cultivated, and honored, as well as being admired for his courage at critical junctures in the Spanish transition. The large majority backing the king and the monarchy is broken in the poll only by the treatment that the royal family receives in the news media: Most Spaniards would like the king and his family to be treated in the press the same as politicians, or other European monarchs. This is what Spaniards really think about the king.

He was supposed to be "Juan Carlos, the Brief," because, all things considered, he couldn't last. On that mild, sunny morning of 22 November 1975, when the prince of Spain took the oath before Franco's Cortes as king of all Spaniards, very few had any confidence in him. The Falangists disdained him, and the Francoists were afraid that this Bourbon might deter the movement of the previous 40 years. He was mistrusted by the moderate anti-Francoists, because Franco had selected and educated him, and they feared that the "monarchy of 18 July," as they termed it, would perpetuate the evils of the old regime. Socialists and Communists filled the streets, carrying the tricolor flag of the Second Republic; and finally, the meager monarchist faction was divided into the Carlist branches and the advocates of Don Juan, count of Barcelona.

No one seemed willing to bet on the success of that tired, 37-year old prince with dark circles under his eyes who, upon taking the oath as king of Spain, was attempting to restore the role and the prestige that the crown had lost 44 and a half years earlier. A referendum on the monarchy at that time would most likely have banished this institution from the Spanish political scene forever.



Now, almost 11 years later, in this poll, the first one taken to evaluate the image of Don Juan Carlos and his reign, it is obvious that the king has the sympathy and approval of nearly all the citizens: 95 percent of Spaniards have a good image of the king and his function in our political system. This is one of the highest acceptance levels recorded by traditional European monarchs in similar polls. For example, the number of British who consider their sovereign's role important does not amount to even 60 percent. The poll was taken by the Sigma Dos company, commissioned by the magazine TIEMPO, during September, through personal interviews at the domicile, among 1,000 persons over age 18.

### Recognition

Spaniards have a good opinion of Don Juan Carlos, regardless of the group to which they belong based on sex, age, social class, or political tendencies. Even the United Left (IU) voters (nearly three out of every four of whom still cling to their preference for the republican system) have a positive impression of the king. The vast majority in this sector are those who apparently identify themselves with Enrique Lister, the communist who led the famous fifth regiment during the Civil War, when he declared: "One cannot be a communist and a monarchist, like Santiago Carrillo, but this time I must recognize the king, for his part. He has conducted himself well."

The leading role that the crown has played in the vicissitudes of the democratic transition has served to prompt reconsideration among many life-long republicans, such as Alfonso Guerra, who was magnanimous enough to admit: "This country is becoming monarchist. And I, a Republican, can declare with all the more reason: any sensible person today should support the king." The crown has recovered so much prestige that 71 percent of those polled are convinced that the monarchy is the best thing for the country; while only 17 percent prefer the republic.

The conversion to the monarchy has been particularly noteworthy among Spanish Socialist Workers Party (PSOE) voters, from a party which, only 9 years ago, was attempting to squeeze into the Constitution, through Gregorio Peces Barba, an article stating that Spain would be a republic. Now, in this poll, this group appears to be mainly monarchist: 65.4 percent of Socialist voters favor the monarchy, and 23.5 percent oppose it.

From the analysis that the experts have made of this poll's results, one can conclude that Spaniards are monarchists by conviction, and want the crown to have continuity in the person of the prince of Asturias, Don Felipe de Borbon. Two out of every three Spaniards think that Don Juan Carlos should be succeeded by his son as head of state, and that the monarchy should not be replaced by a republic. These opinions are, in part, an endorsement of the Constitution of 1978. Only the majority of United Left voters (four out of every five) come out decidedly against the continuity of the monarchist regime.

## A Popular King

As one learns from this poll, the monarchy's considerable acceptance is due to various factors: first of all, to the excellent personal image projected by Don Juan Carlos; next, to his brave action at critical times in the transition, such as 23 February 1981 (23-F). These are followed by his good role as representative of the Spanish nation to foreign countries; his independence because, although he is considered a conservative man, he is very well accepted by the left; and, finally, the fact that he reigns and does not attempt to govern. Shortly after assuming the crown, at the most critical points in the transition, Don Juan Carlos complained: "If I intervene, they claim that I am acting like a Bourbon. If I don't intervene, they claim that I am clinging to the throne." Today, the majority of Spaniards applaud his course of cautious equilibrium, and think that the sovereign should play the role that he has at present, with no more nor less power.

On one occasion, Franco had said: "The king has no need to be intelligent," and, in fact, Spaniards underscore, in Don Juan Carlos' personality, other qualities before intelligence, such as his capacity to make himself liked by people, or his integrity. There emerges from the poll the image of a king whom his fellow citizens describe as such, putting his virtues in order: popular, one of the family, democratic, cultured, honorable, sincere, intelligent, likeable, and religious. In general, women have a better opinion of the king and the monarchy than men; and the views concerning the person and the institution improve with the increased age of those polled.

Don Juan Carlos' image, and hence that of the crown, has been aggrandized in the eyes of Spaniards during the years of transition; and especially at the most critical periods in this process, particularly on 23-F. Over 80 percent of those interviewed describe the king's action during these past 12 years as "good" or "very good"; and 78.8 percent recognize his position toward the coup attempt as "good" or "very good."

On that day, as was written later, Antonio Tejero worked the miracle of converting all the Republicans into ardent Juan Carlo followers, and the poll picks this up. For example, the PSOE voters exceed the average when it is time to assess positively the royal intervention in the transition, and on that grievous day when a group of Civil Guardsmen invaded the Congress. A total of 86.6 percent of the Socialist voters describe Don Juan Carlos' role during the democratic transition as "very good" or "good," and 85.6 percent give the same rating to the steps taken by the king on 23-F.

Nevertheless, it is not the Socialist voters who have the best image of the king and the monarchy. The more positive assessment increases as the ideology of those polled moves toward the right. The largest number of admirers of Don Juan Carlos and the crown is found among Popular Alliance (AP) voters.

In one of the questions, it was attempted to ascertain the political position that Spaniards ascribe to the king. For this purpose, the interviewee was offered the opportunity to rate it, on a scale of 1 to 10, on which 1 was



the extreme left, and 10 the extreme right. The computation of responses put it at 6.0; in other words, at the right of center, at a certain distance from the average Spaniard's self-placement, which is 4.7, that is, left of center. Based on the specialists' interpretation, this reinforces the good ratings that Don Juan Carlos receives from the left, unquestionably justified by his independence in concrete government actions.

### Reporting on the King

The assessments that the Spanish monarchy receives from the citizens are not in line with those of other European monarchies, as has been observed. Nevertheless, despite the king's popularity, the poll reveals that there is among Spaniards the impression that the royal family receives a more distant treatment and that there are certain barriers around it. For example, those polled are divided when they must decide whether or not there is freedom in Spain to report on the royal house without obstacles: 41.8 percent think that there is, but almost the same percentage (41.1) think that there are restrictions, as the humorist Pedro Ruiz noted on one occasion: "In my shows, I refer to the king in passing. I am an anarchist, but not a suicide."

### European-Type Treatment

In this respect, the majority of Spaniards (43 percent) believe that the royal family's private life should be accorded treatment similar to that received by the politicians, and other European royal families. Perhaps they are longing for a "Lady Di," whom they could admire and in whom they could see themselves; while 15.8 percent think that such treatment is already being given. There remains a third of those polled, 29.1 percent, to be specific, who claim that the king and queen's private life should be protected to the maximum from the interference of the indiscreet.

Don Juan Carlos is a beloved, admired, and respected figure, but, surprisingly, not at all envied. On one occasion, he himself admitted that he might be the least free citizen in his kingdom, subject to the constant concern and observation of everyone. He remarked: "I have only felt, and I do feel, that, simultaneously with my official life, I have not had, and do not have another ordinary life, a normal life such as that of so many people." All this may have prompted only 16 percent of Spaniards to say that they would exchange places with their sovereign.

To the majority of people, it would appear that living like a king in a constitutional monarchical regime, would prove an unfortunate, and rather undesirable experience; even if one were a "good king," like Don Juan Carlos, recognized as such by nearly all his fellow citizens.

(1)

**¿QUÉ IMAGEN TIENE USTED DEL REY JUAN CARLOS I?**

	TOTAL (%)	SEXO		EDAD				RECUERDO DE VOTO				
		HOMBRE	MUJER	18-29 AÑOS	30-44 AÑOS	45-64 AÑOS	+ 65 AÑOS	PSOE	AP	CDS	IU	OTROS
MUY BUENA (9)...	22,8	17,9	27,6	18,3	20,3	21,8	34,7	24,2	32,8	—	5,7	17,1
BUENA... (10)....	53,6	50,2	56,9	48,7	57,0	56,5	49,8	60,7	52,8	34,1	31,9	49,1
REGULAR... (11)...	16,2	21,4	11,1	19,4	16,7	14,8	13,5	13,1	12,7	62,0	48,9	19,4
MALA (12).....	2,9	4,6	1,2	6,3	3,3	1,2	0,7	0,7	—	2,5	9,5	5,7
MUY MALA (13)...	1,5	2,0	1,0	2,4	0,4	2,0	0,7	0,3	0,9	—	—	2,8
NS/NC... (14).....	3,1	4,0	2,2	4,7	2,4	3,6	0,7	1,0	0,9	1,3	4,0	6,0

Key to Table 1:

- |  |                          |
|--|--------------------------|
| 1. What Image Do You Have of King Juan Carlos I? | 8. Others                |
| 2. Sex   | 9. Very good             |
| 3. Age   | 10. Good                 |
| 4. Recollection of vote                          | 11. Fair                 |
| 5. Men   | 12. Bad                  |
| 6. Women   | 13. Very bad             |
| 7. Years   | 14. Don't know/no answer |

(1)

**USTED, EN GENERAL, ¿QUE INSTITUCION CREE MAS ADECUADA: LA MONARQUIA O LA REPUBLICA?**

	TOTAL (%)	SEXO		EDAD			
		HOMBRE	MUJER	18-29 AÑOS	30-44 AÑOS	45-64 AÑOS	+ 65 AÑOS
LA MONARQUIA (7)...	64,5	57,8	71,1	55,3	62,2	68,7	73,1
LA REPUBLICA (8)...	22,7	29,5	16,1	30,9	24,4	19,3	14,8
NS/NC... (9).....	12,8	12,7	12,8	13,7	13,4	12,0	12,1

Key to Table 2:

- |   |                         |
|---|-------------------------|
| 1. In General, Which Institution Do You Consider More Suitable: the Monarchy or the Republic? | 6. Years                |
| 2. Sex  | 7. Monarchy             |
| 3. Age  | 8. Republic             |
| 4. Men  | 9. Don't know/no answer |
| 5. Women  |                         |

Key to Table 3:

- |  |   |
|--|---|
| 1. In the Future, After Don Juan Carlos, Should Prince Felipe Be Head of State, or Should the Monarchy Be Converted Into a Republic? | 7. Prince Felipe should be head of state            |
| 2. Sex   | 8. The monarchy should be converted into a republic |
| 3. Recollection of vote  | 9. Don't know/no answer                             |
| 4. Men   |   |
| 5. Women   |   |
| 6. Others  |   |

EN EL FUTURO, ¿DESPUES DE DON JUAN CARLOS DEBERIA SER JEFE DE ESTADO EL PRINCIPE FELIPE O SE DEBERIA TRANSFORMAR LA MONARQUIA EN REPUBLICA?										
(1)									3)	
(7)	EL JEFE DE ESTADO DEBE SER EL PRINCIPE FELIPE	67,1	61,4	72,7	70,4	90,0	86,3	20,2	56,1	(6)
(8)	SE DEBE TRANSFORMAR LA MONARQUIA EN REPUBLICA ..	19,5	25,6	13,4	17,7	4,0	5,3	72,0	24,6	
(9)	NS/NC .....	13,4	12,9	13,9	11,9	5,9	8,4	7,9	19,3	

(1)

# ¿COMO CALIFICARIA USTED LA ACTUACION DE DON JUAN CARLOS EN EL INTENTO DE GOLPE DE ESTADO DEL 23-F?

	TOTAL (%)	SEXO		RECUERDO DE VOTO					
		HOMBRE	MUJER	PSOE	AP	CDS	IU	OTROS	
		(4)	(5)					(6)	
MUY BUENA (7)	38,5	35,1	41,8	43,8	52,7	52,4	15,7	28,0	
BUENA (8)	40,3	40,9	39,7	41,8	34,1	40,9	53,2	40,3	
REGULAR (9)	10,4	11,2	9,6	7,2	6,1	2,7	25,2	14,6	
MALA (10)	3,7	5,2	2,2	2,9	2,7	2,7	4,0	4,8	
MUY MALA (11)	2,3	3,7	0,9	2,7	1,7	—	1,9	2,8	
NS/NC (12)	4,9	4,0	5,8	1,7	2,7	1,3	—	9,4	

Key to Table 4:

- |  |                          |
|--|--------------------------|
| 1. How Would You Rate Don Juan Carlos' Action in the 23-F Coup d'Etat Attempt? |                          |
| 2. Sex   | 8. Good                  |
| 3. Recollection of vote  | 9. Fair                  |
| 4. Men   | 10. Bad                  |
| 5. Women   | 11. Very bad             |
| 6. Others  | 12. Don't know/no answer |
| 7. Very good   |                          |

(1)	<b>¿COMO CALIFICARIA USTED LA ACTUACION DEL REY JUAN CARLOS EN LA TRANSICION A LA DEMOCRACIA?</b>						
		<b>TOTAL (%)</b>	<b>RECUERDO DE VOTO</b>				
			<b>PSOE</b>	<b>AP</b>	<b>CDS</b>	<b>IU</b>	<b>OTROS</b>
(4)	MUY BUENA .....	36,4	41,2	56,1	53,9	11,8	23,6
(5)	BUENA .....	45,6	45,4	33,6	43,4	50,8	50,7
	REGULAR (6) .....	10,6	9,1	3,6	2,7	30,0	14,3
	MALA (7) .....	2,3	1,0	3,3	—	5,7	2,9
	MUY MALA (8) .....	0,6	0,3	—	—	—	1,3
	NS/NC (9) .....	4,8	3,0	3,4	—	1,9	7,3

Key to Table 5:

1. How Would You Rate King Juan Carlos' Action in the Transition to Democracy?
2. Recollection of vote
3. Others
4. Very good
5. Good
6. Fair
7. Bad
8. Very bad
9. Don't know/no answer

(1) **¿COMO CALIFICARIA USTED EL PAPEL QUE JUEGA LA FAMILIA REAL EN LAS RELACIONES INTERNACIONALES?**

(6)	MUY BUENO	19,4	18,8	21,1	18,6	17,8	21,8	31,0	28,0	3,9	13,3
	BUENO (7)	51,1	48,6	51,8	54,4	47,5	54,8	49,9	57,8	38,0	49,2
	REGULAR (8)	16,1	18,3	18,6	11,9	17,2	15,8	7,8	8,2	36,3	19,3
(10)	MALO (9)...	2,2	3,5	1,7	2,5	0,7	1,3	1,7	—	10,1	2,7
	MUY MALO..	0,7	1,3	0,6	0,6	—	—	—	—	2,0	1,5
(11)	NS/NC .....	10,4	9,5	6,2	11,0	17,2	6,9	9,5	8,4	9,7	14,0

Key to Table 6:

1. How Would You Rate the Role Played by the Royal Family in International Relations?
2. Age
3. Recollection of vote
4. Others
5. Years
6. Very good
7. Good
8. Fair
9. Bad
10. Very bad
11. Don't know/no answer

(1) **¿COMO CALIFICARIA USTED EL DINERO DEDICADO EN ESPAÑA A LA FAMILIA REAL?**

	TOTAL (%)	EDAD				RECUERDO DE VOTO				
		18-29 AÑOS	30-44 AÑOS	45-64 AÑOS	+65 AÑOS	PSOE	AP	CDS	IU	OTROS
(6)	EXCESIVO	30,1	34,8	32,3	26,3	32,9	15,8	13,8	62,4	33,9
	NORMAL (7)	51,7	49,1	53,1	52,5	51,7	65,4	70,7	24,2	44,9
	ESCASO (8)	2,3	1,8	1,7	3,8	2,0	3,5	—	—	2,6
	NS/NC (9)	16,0	14,3	13,0	17,4	13,4	15,2	15,4	13,5	18,6

Key to Table 7:

1. How Would You Rate the Money Spent on the Royal Family in Spain?
2. Age
3. Recollection of vote
4. Years
5. Others
6. Too much
7. Normal
8. Little
9. Don't know/no answer

(1) **¿CREE USTED QUE EL JEFE DE ESTADO, EL REY JUAN CARLOS, DEBERIA TENER MAS PODER DEL QUE TIENE O MENOS?**

	TOTAL (%)	RECUERDO DE VOTO				
		PSOE	AP	CDS	IU	OTROS
MAS PODER (4).....	18,1	18,9	28,3	18,0	6,2	18,1
IGUAL (5).....	63,6	72,6	62,2	76,5	47,7	56,4
MENOS PODER (6)...	11,0	6,7	2,4	1,3	42,1	18,5
NS/NC (7).....	7,3	3,8	7,1	4,1	4,0	11,0

3

Key to Table 8:

1. Do You Think That the Head of State, King Juan Carlos, Should Have More Power Than He Has or Less?
2. Recollection of vote
3. Others
4. More power
5. The same
6. Less power
7. Don't know/no answer

(1) **¿CREE USTED QUE EXISTE EN ESPAÑA LIBERTAD DE PRENSA RESPECTO A LA INFORMACION RELACIONADA CON LA CASA REAL?**

	TOTAL (%)	EDAD				(3) RECUERDO DE VOTO				
		18-29 AÑOS	30-44 AÑOS	45-64 AÑOS	+65 AÑOS	PSOE	AP	CDS	IU	OTROS
SI (6).....	41,8	34,3	40,4	47,0	45,0	46,7	59,1	47,1	19,4	32,2
NO.....	41,1	51,2	47,1	35,7	27,7	41,4	29,1	41,6	73,0	42,5
NS/NC (7).....	17,1	14,5	12,5	17,3	27,3	11,9	11,9	11,4	7,6	25,3

Key to Table 9:

1. Do You Think That There Is Freedom of the Press in Spain for Information Relating to the Royal House?
2. Age
3. Recollection of vote
4. Years
5. Others
6. Yes
7. Don't know/no answer

(1) **¿LA VIDA PRIVADA DE LA FAMILIA REAL DEBERIA SER OBJETO DE TRATAMIENTO INFORMATIVO SIMILAR A POLITICOS O A OTRAS FAMILIAS REALES EUROPEAS?**

	TOTAL (%)	(2) SEXO		(3) RECUERDO DE VOTO				
		HOMBRE	MUJER	PSOE	AP	CDS	IU	OTROS
SI, IGUAL QUE LOS POLITICOS (7).....	13,6	18,2	9,0	14,7	6,6	4,1	30,6	15,7
SI, IGUAL QUE LAS FAMILIAS REALES EUROPEAS (8).....	29,4	28,5	30,4	31,8	31,0	35,5	33,8	25,3
NO, YA SE LE DA ESE TRATAMIENTO (9).....	15,8	17,6	14,0	12,8	22,1	19,4	8,1	15,4
NO, LA VIDA PRIVADA DE LOS REYES DEBE SER RESPETADA (10).....	29,1	24,9	33,2	32,5	29,1	35,7	17,9	26,4
NS/NC (11).....	12,2	10,8	13,4	8,2	11,2	5,4	9,5	17,1



Key to Table 10:

1. Should the Royal Family's Private Life Be Given Press Treatment Similar to That of Politicians or Other European Royal Families?
2. Sex
3. Recollection of vote
4. Men
5. Women
6. Others
7. Yes, same as politicians
8. Yes, same as European royal families
9. No, that treatment is already being given
10. No, the king and queen's private life should be respected
11. Don't know/no answer

(1) **CUANDO UNA PERSONA VIVE BIEN SE SUELE DECIR QUE "VIVE COMO UN REY". PIENSELO UN MOMENTO, ¿SI TUVIESE OPORTUNIDAD, SE CAMBIARIA POR EL REY?**

	TOTAL (%)	SEXO		EDAD			
		HOMBRE	MUJER	18-29 AÑOS	30-44 AÑOS	45-64 AÑOS	65 AÑOS
(7) SI	16,7	8,0	14,4	1,9	1,3	1,7	1,0
(8) NO	78,0	87,7	79,2	97,9	97,7	97,3	99,0
(8) NS/NC	5,3	4,3	6,4	1,2	1,0	1,0	0,0

(6)

Key to Table 11:

1. When Someone Lives Well, He Is Usually Said to 'Live Like a King.' Think for a Moment: If You Had the Chance, Would You Change Places With the King?
2. Sex
3. Age
4. Men
5. Women
6. Years
7. Yes
8. Don't know/no answer

(1) **¿COMO CALIFICARIA AL REY?**

	(2) MUCHO	(3) ALGO	(4) POCO	(5) NADA	(6) NS/NC
(7) SIMPATICO	51,5	35,9	7,4	2,8	2,7
(8) INTELIGENTE	54,4	29,9	9,0	2,9	3,8
(9) CULTO	62,9	27,9	3,3	2,3	3,5
POPULAR	69,6	23,1	3,9	0,9	2,5
(10) RELIGIOSO	49,7	29,9	4,7	0,6	15,1
(11) FAMILIAR	68,9	21,6	2,2	0,8	6,8
(12) HONRADO	59,3	23,1	3,7	0,8	12,3
(13) DEMOCRATA	67,6	22,0	2,9	1,2	6,3
(14) SINCERO	55,2	22,9	5,4	2,1	14,4

Key to Table 12:

1. How Would You Rate the King?
2. Very
3. Somewhat
4. Not very
5. Not at all
6. Don't know/no answer
7. Likeable
8. Intelligent
9. Cultivated
10. Religious
11. One of the family
12. Honorable
13. Democratic
14. Sincere



(1)	SIENDO 1 LO MAS IZQUIERDA POSIBLE Y 10 LO MAS DERECHA, ¿DONDE SITUARIA USTED POLITICAMENTE AL REY JUAN CARLOS?	
(2)	SEXO	
(3)	HOMBRE	
(4)	MUJER	
(5)	EDAD (6)	
	18-29 AÑOS.....	6,3
	30-44 AÑOS.....	6,0
	45-64 AÑOS.....	5,9
	+65 AÑOS .....	5,7
(7)	RECUERDO DE VOTO	
	PODE	5,7
	AP	5,1
	CDS	5,3
	IU	5,8
(8)	OTROS	5,0

# Key to Table 13:

1. With 1 the Most Left Possible, and 10 the Most Right Possible, Where Would You Place King Juan Carlos Politically?
2. Sex
3. Men
4. Women
5. Age
6. Years
7. Recollection of vote
8. Others

## Technical Record

Universe: persons over age 18. Scope: Spain. Sample: 1,000 interviews. Based on the Arkin and Colton tables, there is a possible error of  $\pm 3.2$  percent, for a confidence interval of 95.5 percent (Dos Sigma) and  $p/q = 50/50$ . Selection, aleatory, based on the random route method, supplemented by the corrective system based on sex, age, and occupation. Interviews: held by means of personal visit to domicile. Date of field work: September 1987. Execution: Sigma Dos, Inc. Direction: Carlos Alberto Malo de Molina.

2909

## FINLAND'S WAR ECONOMY CHIEF URGES ARMS PRODUCTION WITH SWEDEN

36170008 Helsinki HELSINGIN SANOMAT in Finnish 20 Oct 87 p 8

[Article by Martti Heikkilä]

[Text] According to war economy chief Maj Gen Raimo Penttinen, it would pay for Finland and Sweden's war materials producers to eliminate useless overlapping production just as, for example, tractor manufacturers have done. In his opinion, a tractor industry agreement like the one between Volvo and VALMET [state metal industry] would be an excellent model for, among others, Sisu, which produces military vehicles, and its Swedish competitor, Hagglunds.

Penttinen proposed war economy collaboration during an interview published in KAUPPALEHTI on Monday. He could not be reached on Monday because he was away on a trip abroad.

Penttinen said that he had discussed sharing production with the Swedes and that negotiations are continuing. Before now the Swedes have taken a cautious view of collaboration, but a change has taken place in their attitudes with the curtailment of funds for Sweden's war materials industry.

According to Penttinen, the Finnish firm, Hackman, could manufacture shell cases, Kemira and the Nobel plant in Kemi could share the production of explosives and Nokia could export its data communications system to Sweden.

Recently, the most conspicuous competition between the Finnish and Swedish war materials industries has appeared in precisely the manufacture of vehicles. The Swedish firm, Hagglunds, manufactures Bandvagn half-tracks, which it has sold to many countries. The Bandvagn is a familiar vehicle in the Finnish Armed Forces too and it has proven itself to be useful in summer and winter, in marshland and forest, in the north and in the south.

Sisu has gotten into the half-track market by developing the Nasu, a test lot of which has already been produced and which looks and is exactly like the Bandvagn. The Armed Forces have tested the Nasu and compared it with its Swedish competitor. The first reports about the tests that have leaked out tell us that there is still room for improvement with the Nasu; it did not withstand rugged treatment as well as the Bandvagn does.

Penttinen did not wish to take a stand on the Nasu-Bankku [Bandvagn] competition, but he did say that in the long run Novilo firms like Sisu and Hagglunds only hurt one another with their competition.

#### Pasi Interests Swedes Too

We Finns, however, have a product which the Swedes do not have and which interests the Swedish Army: the Pasi armored carrier. The Pasi has effectively rumbled through Finland's snow-covered forests as well as the sandy wastes of Lebanon in use by UN soldiers and its reputation is only growing. So far Pasi's manufacturer, Sisu, has not managed to sell it abroad with the exception of the United Nations.

Although Penttinen did not say so, what he said might easily be interpreted in the following manner: Let Hagglunds produce Bandvagns--it knows how--but let Sweden buy Pasi armored carriers from Finland--Sisu knows how to make them. Both of them could be marketed throughout the world together.

#### Appropriations Deficit Causes Concern

For 2 years now Finland's defense appropriations have lagged behind Parliamentary Defense Commission recommendations by a billion markkas and Army leaders have voiced their deep concern over this. Following the recent publication of the budget proposal, Gen Jaakko Valtanen said that "repeated additional cuts may in the long run shake credibility in our defense capability."

The Finnish Reserve Officers' Association recently spoke through the general's voice and sent a letter expressing their concern to all members of Parliament. According to the association, Parliamentary Defense Commission and Committee recommendations should be taken into consideration in the next budget.

#### VALMET Suffers from Cuts

During the KAUPPALAINTI interview war economy chief Penttinen also expressed his concern over the defense appropriations deficit. According to Penttinen, the cuts are harsh ones just because they affect Finnish production the most. Now, in the "ground forces decade," we could order as much equipment from the Finnish vehicle industry as it would be capable of producing if there were money, say, as much as the recommendations [would require].

Some of the Armed Forces' high-tech equipment, and their missiles, among others, have to be procured abroad. According to Penttinen, we cannot bargain on these orders.

Cut from this year's defense budget were the passenger cars they had planned to order from Saab-VALMET, the tractors planned to have been obtained from VALMET and the sleds planned to have been procured from VALMET's Nortrack Division.

11466

## BOOK ASSERTS THAT SOVIET SUB VIOLATIONS OCCURRING IN WATERS

Helsinki SUOMEN KUVALEHTI in Finnish 16 Oct 87 pp 44-45

[Article by Jukka Ukkola: "American Scholar: Submarines in Finnish Waters, Too"]

[Text] The Soviet Union says that its submarines have not come closer than 30 nautical miles to the Swedish coast, but an American scholar believes that hundreds of them have been in Sweden's territorial waters. The most serious incident occurred in October 1981 when a Soviet submarine of the Whiskey class ran aground in Sweden's coastal waters. It finally left Sweden's territorial waters on November 6.

There are submarines in Finnish waters, claims an American professor. A new piece of information, a misinterpretation of the boundaries of territorial waters, or Reagan-style foreign policy?

"Soviet submarines have penetrated mostly Swedish waters, but they've also been spotted in the waters of Finland, Norway, Denmark, Greenland, Italy, and Japan," claimed American military scholar Milton Leitenberg at a recent press conference during which he talked about a new book of his that deals with Sweden's search for submarines.

In the opinion of Rear Admiral Juha Tikka, commander of Finnish naval forces, Leitenberg's claim is somewhat inaccurate, at least when it comes to Finland. Submarines have indeed been observed a few times in Finnish waters, but they were advised to leave and did so. Surface vessels stray into Finnish waters slightly more often, usually due to navigational errors, however, because the boundaries of territorial waters meander.

Tikka presumes Leitenberg means that Soviet submarines are constantly seen relatively close to Finland's coast, but in waters where they have a right to be.

This is because Finland observes a territorial water limit of 4 nautical miles. Territories outside it are international waters. Sweden, on the other hand, employs a limit of 12 nautical miles.

## Two-Three Mile Bottleneck

"It's true that we continually see in the Gulf of Finland Soviet submarines on their way to Leningrad or ports on the Estonian coast," says Tikka.

In certain spots the ships are less than 12 nautical miles from Finland's coast for the simple reason that there is no room for broad territorial water limits in the Gulf of Finland. That is why it was agreed that the international limit of 12 nautical miles would not be observed when it cuts the median line of the Gulf of Finland. There are now just 2 or 3 nautical miles of international waters at the gulf's narrowest point.

"If Finland enforced the 12 nautical mile rule, the area to be monitored would increase significantly. Not even Sweden can monitor an area of 12 nautical miles, it's so broad. Observations causing an uproar there have been made near the coast, either right near the territorial water limit or within the archipelago."

Sweden also has different arrangements in the Sound. In Tikka's opinion, the Danish situation is identical to the Finnish: vessels of the Soviet Union's Baltic fleet pass through the Sound. "At least I'm not aware that Denmark has found any Soviet submarines in its waters without permission."

The 3-4 nautical mile limit is generally a relic of the time when a country calculated from what distance it could be hit by the artillery of a foreign warship. Nowadays, besides the 12 nautical mile limit, a limit of as much as 200 nautical miles is enforced, mostly where the continental shelf has great value for the fishing or mineral industry.

## "Submarines on the Potomac"

Professor Leitenberg admits that the Swedes have been able to prove the submarines were Soviet just four times, but he says he is convinced that Soviet submarines have been there on business hundreds of times. He compares the Swedish situation to one in which "Soviet submarines are on the Potomac River in Washington." He considers the submarine controversy Sweden's most serious problem since World War II. "The intrusion has been very willful and incomprehensibly offensive."

According to international agreements, each country may enforce its own laws in its own waters. A submerged vessel is a little bit like a stray cat: you can do what you want with it if you find it in your own yard. The only real proof of nationality comes when the ship surfaces and shows its flag, or is otherwise recognized, stresses Rear Admiral Tikka.

In most cases of minor violations of territorial waters, it is enough to point out the infraction and ask the ship to leave. But a deliberate act becomes a so-called border incident, which is disentangled by the border authorities. If the episode is viewed as provocative, it may result in the exchange of notes, for example.



## Great Military Benefit

Leitenberg considers ridiculous the claim that the Soviet Union tries to use its submarines to force the Swedes to be "friendlier" or to shift their defense appropriations from the air force to the navy. In his opinion, the Soviet Union could receive great military benefit from access to Swedish waters: it could, if need be, wipe out the Swedish fleet and attack coastal targets.

Professor Leitenberg has been a visiting scholar at the Swedish Institute of International Affairs for several years, and is currently a professor at Cornell University in the United States. His book was published by Georgetown University's Center for Strategic and International Studies, which is considered pro-Reagan in its outlook.

12327

CSO: 3617/0013



## GOVERNMENT SEEN PLACING GREATER STRESS ON 'FORWARD DEFENSE'

36390012a Oslo AFTENPOSTEN in Norwegian 5 Nov 87 p 5

[Article by Olav Trygve Storvik: "Current Comment: New Element In Security Policy"]

[Text] Forward operations of allied naval forces in northern waters are now being announced as a new element in Norwegian security policy.

This emerges from the introductory chapter to next year's defense budget, and probably means that the Government will put greater stress on the deterrence aspect of security policy. But at the same time emphasis is also given to self-imposed connections in a new way, one which is stronger than before, perhaps to blunt the first message somewhat.

A systematic comparison of the introductory chapters to the 1987 and 1988 defense budgets shows that major new linguistic formulations, omissions and revisions have been made. Overall they give the impression that a new element will be brought into play in security policy. It is difficult to say exactly when the decision was made. But compared to last year's budget and formulations in the defense minister's many speeches during the year, and on which AFTENPOSTEN has commented, it seems as though the change occurred late in the summer or early in the fall.

Completely New

The expression "forward operations" of allied naval forces (page 7, State Bill no. 1 1987/88) is completely new, and at the same time is a key concept in the US's naval strategy. It thus appears as if the Government is finally giving its support to one of the most important principles of this strategy. The formulation also comes up in a section bearing the new rubric "Elements" in security policy, and thus indicates that naval exercises in the north will be used as a deliberate element.

But if it is to be an "element," then the extent of the allied naval presence will also be an interesting issue. Previously it was said only that an allied presence in the form of exercises should come "with time." But this year this formulation has been expanded to cover "a presence sufficient to demonstrate the capacity to operate in northern waters, to counteract the impression of Soviet superiority, and to give grounds for restraint on both sides."

## Balance

If the Government thinks that allied naval forces should aim at demonstrating "sufficient capacity to operate in northern waters," then this must logically mean a presence in all seasons and of varying durations. It can thus be interpreted as a sign that the Government intends not only to issue statements but will follow up this line by taking the initiative for specific naval activities which will prove convincing to the opponent. It is here that the idea of balance clearly emerges, and it is stressed that the reason for this is the growing capacity and activity on the Soviet side.

In this context it is also significant to note that earlier admonitory formulations about a "permanent presence" (of allied naval forces) and "permanent war patrols in the Norwegian Sea" which were to be found in last year's budget have entirely disappeared from next year's budget. This impression is further strengthened by an interesting linguistic slippage which has taken place in the manner used by the defense minister to describe the allied naval presence. Shortly after the spring 1986 change of government, defense minister Johan Jorgen Holst warned repeatedly about "Mediterranean Sea conditions" in the Norwegian Sea. This immediately became a warning against "permanent war patrols," only to slip out completely from official linguistic usage in this year's budget request.

## Connections

On the other hand, security policy connections and restrictions have been systematized more solidly than before. It is strongly emphasized that all military activity in Norway is under national control. It is here that a new and set chapter listing all the self-imposed connections in Norwegian security policy has been introduced. This first occurred last year but it is repeated and given further force this year by the fact that, for example, base and nuclear policies are delineated more absolutely and strongly.

But what is completely new this year is the first linkage of allied exercise activity in Norway with the expression "self-imposed connections." At the same time it is stated that the allied forces are placed under Norwegian control. It is repeated that it is the Government which will originally decide whether and when allied reinforcements should be called in and similarly that the chain of command is located inside the multinational NATO system, in which the operative command in Norway is run by Norwegian officers. Finally it is also repeated that all defense plans are reviewed and approved by the Government.

12789

## ARMED FORCES STAFF CHIEF CITES CONCERN OVER BUDGET IMPACT

36390012b Oslo AFTENPOSTEN in Norwegian 9 Nov 87 p 3

[Article by Olav Trygge Storvik: "Great Concern At Defense"]

[Text] The armed forces are being built down to a level which may be significantly lower than foreseen in the long-term plan. The size of the armed forces could thereby be smaller than the so-called "adjusted structure" described in "Forsvarsstudien 85" ["Armed Forces Study 85"].

In a conversation with AFTENPOSTEN, Lieutenant General Alf Granviken, staff chief of the armed forces, expressed great concern at this development. This evening he will address the Oslo Military Society on the subject "Reflections On Service In the Armed Forces' Top Leadership."

The "adjusted structure" is the number of airplanes, vehicles and brigades which can be bought with a real annual increase of 3 percent in the defense budget and the key word is real increase. The armed forces staff chief gave a precise report about what this means in "Forsvarsstudien 85." But at the same time he also said that, in his professional assessment, an increase of twice as much was essential in order to have a balanced defense in relation to the military threat facing Norway.

#### Extra Expenditures

Granviken said: "In next year's defense budget, we see introduced a series of extra expenditures which have little to do with an effective armed force. One example of this is the running of a civilian pilots school, for which the Armed Forces is now obliged to pay. If we total all these budget items and take into consideration the absence of price compensation during the course of the year, then it is doubtful whether overall the budget ends up growing. I believe there will be a real decline in defense expenditures next year," he said.

"Taken together, there will be major amounts over time, and the Armed Forces will thus be inexorably compelled to reduce its size and activity to the under-3-percent level. This will perforce have to affect several projects, but it is still too soon to say which ones. What is quite certain is that the armed forces leadership will have to look for projects to eliminate as

soon as access to resources does not agree with reality. We are currently trying to stretch the lifetime of materiel as far as possible so as to get the most return for the money. But then we can land in a situation we would like to avoid. We risk getting a structure which has us replacing entire groups of materiel at the same time, and at great expense."

#### The Politicians

"At regular intervals the politicians tell us we have to become more adept at using resources. This is obvious and we are always trying to do so. But then in return we must ask the politicians to become more adept at stepping in when purely local interests prevent us from carrying out efficiencies."

"For example, we have major problems getting very essential reorganizational processes carried out and discontinuing activity of low priority to us. But frequently both regional and organizational interests come into play as well. The Army's Engineers School and the NIKE Battalion can be mentioned as textbook examples. In such cases we are exposed to political pressure because individual staff groups have taken root in a place they would like to be. I could also mention the reduction at the Sola air station and Lista, which we would have liked to have at core status. But we have met with political opposition. My wish is for the politicians to proceed more firmly on such matters and not let themselves be pressured by organizations and purely local interests," Granviken said.

#### Delegation

He also believes that much can be accomplished with a greater delegation of responsibility. Today there is altogether too much checking of details by central administration. To a great extent, even the Defense Ministry must turn to both the Storting and other ministries to have small matters decided. Granviken also believes that the Defense Ministry should become a cabinet-level policy secretariat to a greater extent than it presently is.

12789



## USSR BUILDUP JUSTIFIES ALTERING BASE POLICY

36390012c Oslo AFTENPOSTEN in Norwegian 11 Nov 87 p 5

[Article by Olav Trygve Stovik: "'Our Base Policy Should Be Changed'"]

[Text] "The growth of the Soviet fleet, its aerial and amphibious forces, has meant a dramatic worsening of our situation. Norway is increasingly further behind the invisible, forward front line in the air and at sea," Major General Werner Christie said Tuesday in a speech to the Institute for Defense Information.

With his speech Christie wanted to take up base policy as a topic for discussion in order to see whether it is appropriate to the geostrategic reality in which Norway finds itself. He himself thinks this is not the case.

In Christie's view, base policy and other Norwegian self-imposed connections came into being as a result of the need by the political leadership to reassure certain segments of Norwegian opinion and not first and foremost in response to the Soviet Union. When Norway joined NATO in 1949, it was felt by many to be a dramatic break from earlier tradition. The security policy leadership accordingly had to make its change of direction more acceptable to individual groups, and in this way special Norwegian arrangements arose within NATO, base policy among others, in Christie's view.

#### More Risks

Given the current situation, such a line carries more risks with it. Now, 39 years later, Norway finds itself in an even more exposed geostrategic position as the result of the trend in weapons. And Norwegian policy is nevertheless a clue to the Soviet Union--power, geography and technology. Unilateral Norwegian measures will scarcely reassure Moscow. Seen through Soviet eyes, Norwegian military installations must look like NATO bases, and they will draw up their plans accordingly. In a naval war, the Norwegian area will act as vital support points and a stepping stone to the bases on the Kola Peninsula, with its largest peacetime concentration of nuclear weapons.

Christie had little faith in Soviet reactions towards other Nordic countries if Norway altered its base policy. In reality it would not be so dramatic either. Norwegian base policy is an exception, not a rule, in NATO, and waiving it would mean that Norway was falling into line with other member states. "In this connection, let us remember that we are more exposed than other NATO countries," he said.



## Lightning Attack

"The situation is that Norwegian military support points have become so important that both East and West want to try to secure them for themselves as quickly as possible in a crisis situation. There is thus a danger that base policy can act as an encouragement for a lightning attack. Given such conditions, it is better to choose sides in peacetime and make it crystal clear to the Soviet Union that an attack on Norway is the same as an attack on all of NATO," said Major General Christie, who feared that Norwegian politicians are dismissing problems and postponing all decisions until the last second.

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NORWAY

MILITARY

PRIME MINISTER ORDERS PLANNING OF WAR GAME FOR TOP LEADERS

36390012d Oslo AFTENPOSTEN in Norwegian 11 Nov 87 p 4

[Article: "War Game For Top Politicians"]

[Text] Armed Forces' chief Vigleik Eide has been assigned by Prime Minister Gro Harlem Brundtland and Defense Minister Johan Jorgen Holst to prepare a war game for use in the training of top Norwegian politicians.

Among reasons the assignment came about, defense minister Johan Jorgen Holst told the NORWEGIAN NEWS AGENCY, were statements by Lieutenant General Alf Granviken, armed forces staff chief, to the effect that Norwegian political authorities lacked the training to meet a military crisis.

12789

## HOME RULE GOVERNMENT IN FISCAL CRISIS, SEEKS FOREIGN LOAN

Copenhagen DET FRI AKTUELT in Danish 1 Nov 87 p 6

[Article by RB]

[Text] Greenland is in an acute need of funds and will have to borrow upwards of 1 billion kroner.

"In the course of the next 12 months, it will become necessary for the Greenland government to borrow such a large amount of money in order to cope with its acute liquidity crisis and to finance the large investments in the fishing industry and the shops of the Greenland Trade Department," says Minister of Economic Affairs Emil Abelsen of the Greenland government.

This week the Greenland government borrowed 200 million kroner from the Greenland Bank and Nuna Bank in order to make the immediate payments.

According to Emil Abelsen, the Greenland government will have to borrow 600 million kroner to strengthen its liquidity. In addition, the Greenland government will need approximately 500 million kroner for long-term investments. The final amount may only be fixed when the budget for 1988 has been adopted. According to the budget, the deficit for 1987 has reached 948 million kroner, and by the end of 1988 it is expected to reach 1.2 billion kroner.

As early as in 1986, the two Greenland banks requested the economic directorate to set up a loan consortium. In February of 1987, they repeated their request. At the same time, they warned the Greenland government against drawing heavily on the cash balance at the two banks. In the winter of 1986-87 as well did the Greenland government lack funds and had to borrow 75 million kroner from each of the two banks.

In the acute fiscal crisis, the Greenland government has been forced to withdraw 150 million kroner of the cash balance of the Greenland Trade Department. That costs 9 percent in interest annually. But the Greenland Trade Department will need to have the funds returned by 15 November at the latest in order to pay the bill of 115 million kroner for the supply of oil for the winter.

Another reason for the crisis is the fact that the Danish state has sent the Greenland Technical Organization, GTO, a bill of 373 million kroner. That was the value of the cash balance, deposits on various accounts and outstanding debts with GTO when the Greenland government took over that organization on 1 January 1987. The Danish state wanted to have those funds returned, and that has contributed to worsening the fiscal crisis of the Greenland government.

#### Credit Bomb

The publication last Friday of the cash credit in the amount of 240 million at the Commercial Bank in Ålborg of Royal Greenland, owned by the Greenland government, was a regular bombshell to the Greenland parliament.

The chairman of the opposition, Otto Steenholdt, Atassut, last Friday demanded an explanation from the Greenland government. The coalition partner of Siumut, Inuit Ataqatigiit, supported the demand of the opposition.

The furious Prime Minister Jonathan Motzfeldt, Siumut, stated that the financial committee of the Greenland parliament will receive an account later on.

The director of the Greenland government, John Jensen, stated that it is a question of liquidity loans, which will not appear in the budget. He stressed that the Greenland government had been informed of the cash credits. However, he declined to reveal whether this was before or after the opening of the cash credits.

It is clear, however, that the economic directorate had not been informed of the cash credit at the Commercial Bank. The economic directorate is in charge of the finances and borrowing of the Greenland government.

Jørgen Ulriksen, director of Nuna Bank, states that the cash credit at the Commercial Bank has complicated the relations between the Greenland government and the bank in connection with the upcoming borrowing to overcome the fiscal crisis of the Greenland government and to meet its investment requirements for 1988.

7262

CSO: 36130020

## EXPERT CITES WAYS TO IMPROVE FINNISH-SOVIET TRADE BALANCE

Helsinki SUOMEN KUVALEHTI in Finnish 16 Oct 87 p 48

[Article by Pia Hanttu-Kiskonen: "Professor Urpo Kivikari: Finland to Become Intermediary in Trade With Soviet Union"]

[Text] Soviet plans for international commerce may enable Finland to gain a new foothold in trade with the Soviet Union, says Acting Professor Urpo Kivikari. They could bring flexibility and foreign exchange earnings into Finnish-Soviet trade, he figures.

It is easy for the world to accept Finland as an intermediary in trade with the Soviet Union. We have experience and geographical propinquity on our side, believes Urpo Kivikari, director of the Turku Business College's unit for training and research in trade with the Soviet Union.

"Finland is the vestibule to the Soviet Union. No other Western country is as close to the Soviet Union and its centers. Dealing with the Soviet Union will be different now that it has opened its doors and decentralized its foreign trade. There will obviously be a greater need for contacts with the Soviets. From Austria, which occupies a very advantageous position in East European economic relations, Finland could learn how to maintain a network of contacts," says Kivikari.

"Finland has remained pretty isolated in its trade policy with the Soviet Union. We've exploited our strong points on a strictly bilateral basis. Under the new circumstances, we should put our experience to broader use."

## Trade Practices Must Be Revised

"We haven't missed the Soviet train. It's just now departing, but we could miss it if we don't understand the Soviet Union's motives and goals and if we can't deal with them to our advantage. This requires a revision of our trade practices."

Kivikari points out that the Soviet Union does not have a pat answer to every question. The economic reform is in a tryout period. Trading partners can make suggestions.



Economic reform has a justified and apparently permanent place in the Soviet Union's foreign trade policy. Western countries that can help the Soviet Union achieve its goals will have an edge in Soviet markets and trade.

#### Steady Interest Rate for Clearing Account

"Our policy is to promote trade. We don't practice trade discrimination the way the Soviet Union does. We have a system of multilateral contracts and a unique bilateral clearing agreement which, despite its problems, is still seen as our trump card."

Exchangeable currencies are not used in Finland's trade with the Soviet Union. There is a clearing account for credits and liabilities in the Bank of Finland.

"Our clearing system will probably last for a long time, but we should make it more flexible and less subject to fluctuations. One possibility is to create an interest rate mechanism that would balance trade. The interest in currency would be calculated for the daily balance and paid a couple of times a year to the party to whom the debt is owed. This would be fair to both sides and would prevent sudden fluctuations."

Kivikari mentions foreign exchange earnings as another remedy for balancing our trade with the Soviet Union. "The drawback to this is that we need the foreign exchange transactions when the Soviet Union is least able to engage in them. That's when demands that the Finns make counterpurchases and grant credit also enter the picture."

Kivikari emphasizes that the business transaction itself is the main thing in trade with the Soviets. Mere pursuit of a trade balance must not be a reason for, or an obstacle to, business deals. If the deal is good, it should be made, no matter what the situation.

"When we consider and suggest improvements for our trade with the Soviet Union, the trade should be in a clear stage and not out of balance. In addition, we must be plainly aware of the other party's goals. In that case, of course, it's easier to propose and find solutions acceptable to both sides," says Kivikari.

Trade with the Soviet Union will not turn in entirely new directions for some time to come, according to Kivikari. "Economic reform does not take place overnight. This has been shown, for example, by Hungary's nearly 20-year journey on the road to economic reform. Many reforms now being considered by the Soviets are not intended for implementation until the 1990s. At that time, after the Soviet Union has accepted the General Agreement on Tariffs and Trade and maybe even joined the International Monetary Fund, clearing transactions will become history."

#### New Imports Are Open Question

Visible elements of the Soviet economic reform are joint enterprises, production teamwork, diversification of exports, and organizational changes in

foreign trade. Some 20 cabinet ministries and 70 business firms have been given permission to deal in imports and exports. A state commission for foreign trade relations has also been established.

"The impressive organizational reforms are just the tip of the iceberg. The real change is the Soviet Union's effort to switch from thinking based on credit balances to trade based on cost-benefit analysis. Foreign trade has been decentralized so that Soviet firms are motivated to export their products to the West and through direct contacts become competitive in the West," says Kivikari.

In order to make its economy more efficient, the Soviet Union must increase its trade with the West.

"If we want to maintain our exports, we'll have to accept new imports, and it's not just a matter of favoring Soviet products. That kind of attitude doesn't create a lasting basis for increased imports. The success of the Soviet Union's export diversification depends on the Soviet Union itself. It must be able to conquer markets. If that can somehow be made easier, the foundation for new trade with the Soviet Union will be laid," says Kivikari.

Kivikari believes that the gearshift oil Finland now buys could be replaced by new imports in the future. Gearshift oil is only a temporary solution.

"It's unclear at this stage whether the development of Soviet imports will bring foreign exchange earnings to Soviet business firms. If those earnings don't accrue from trade with Finland, then that and the traditional willingness of other countries to make counterpurchases will force us to ponder our country's competitive position."

Kivikari has a remedy for the problem: we could give Soviet exporters a bigger incentive by providing training in Finland for new recipients of export licenses. Plans for providing training in the Leningrad area are already under way.

#### Finnish Viewpoint Is of Interest

Joint enterprises are something new in the Soviet economy. The way was first cleared for them last year. In three of the first seven or eight firms given the go-ahead, a Finnish company is a partner: Kati-Myynti, which makes women's fashionable clothes; Sadolin, which manufactures wood-preserving substances; and Finnair, which is a party to a hotel project in Moscow.

"The difference in economic systems causes big headaches for the joint enterprises. It's hard to get two economic systems to function within the same company. In this area there also prevails a certain imbalance of interests for which a solution should be found," thinks Kivikari.

"It's easiest to set up joint enterprises in the service sector. For example, it's easy for a hotel to earn foreign exchange."

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## IMPACT OF NEW FINANCE BUDGET ANALYZED

'Tour de Force'

35190002 Paris LE NOUVEL ECONOMISTE in French 18 Sep 87 pp 80-83

[Article by Gilles Le Gendre: "The Budget: Jacques Chirac's Joker"]

[Text] With all due respect to "non-candidate Chirac," as he is designated by the people close to him, the prime minister this week laid the cornerstone of his campaign for the presidential election. Still more than the un hoped-for results of the referendum in New Caledonia, the successful Ariane launch or the gush of approval bestowed by the Americans on Mr Charles Pasqua for his anti-terrorist action, the 1988 finance bill presented on Wednesday by the other two pillars of Chirac-dom, namely Messrs Edouard Balladur and Alain Juppe, under the critical eye of the head of state, is to serve as the master trump card in winning back public opinion, which the RPR leader seems to have undertaken. Adorned with all the trappings of stringency, yet marked by exceptional fiscal generosity, the proposed budget carries off a tour de force, the scope of which is sufficiently demonstrated in the evident difficulty the Barrists and the socialists are having in their search for angles of attack that are politically profitable.

In fact, the French are rediscovering all the apparent criteria of good management of state finances with which post-1983 socialism and the liberalism that has been in force since 16 March 1986 have familiarized them, without any real dissonance. With its total of 1 084 billion francs, the general budget should advance by only 2.8 percent in value, or slightly more than the predicted inflation (2.5 percent in 1988), but less rapidly than the national production in value (approximately 5 percent), the sacrosanct line not to be crossed under pain of being branded laxist. When compared with a "spontaneous evolution" for which, it is true, only the experts at the Ministry of Finance hold the magic formula, the government would thus have succeeded in cutting a good 30 billion from its usual rate of spending. At the two extremes, the budgets of Labor (up 11.6 percent in comparison to 1987), Cooperation (11.5 percent), Justice (up 10.3 percent), Research (up 7.9 percent), or Education (up 4.1 percent) have victoriously escaped the blows of the axe, whereas the responsible parties in Transportation, Foreign Trade, the Plan and especially Industry, have accepted to mimic the sacrifice on the altar of liberalism.

Once more the Rue de Rivoli, at the same time it was wielding its scissors, treated itself to the luxury of putting an end to certain of these practices,

pointed at in horror by all orthodox believers in public finance, namely the debudgetizations. So what remained of the special funds for large projects, the research credits dealing with the electronic network, until now the province of Postal and Telecommunications, the cost of the improvements favoring housing, formerly supported by the reserve and guarantee funds of the savings banks, the subsidies granted by the National Agency for the Improvement of Living Conditions, plus several other minor operations--all return to the bosom of the state. Without these rebudgetizations, the state could even flaunt its 1.9 percent increase in expenditures. This figure is exceptionally low, even if it is higher than the initial goal of 1 percent; and on that subject, those in charge at the Rue de Rivoli today swear that it ' never served except as a stick brandished to exhort spendthrift ministers to virtue.

A remarkable performance that allows the budgetary deficit to fall back once again, from 129 billion in 1987 to 115 billion in 1988 (or from 2.5 to 2.1 percent of the GIP). But it does not prevent the dialog of blood and tears which kept the French people breathless while this budget was in the works from being drowned out today by the most stirring fanfare of tax reduction with which they have been gratified during recent weeks. The torrent of announcements (see the charts at the end of this article) leads to a bottom line of more than 31 billion in tax reductions for the year 1988 alone and of more than 69 billion for the two fiscal years, 1987 and 1988. The share of reductions favoring households is preponderant in this, even if, to escape accusations of having had too free an electoral hand, the experts in finance have preferred to distribute the income from the VAT reductions to both households and businesses. From the reduction of the VAT on automobiles, public opinion has learned that it did not owe this miraculous manna to any sort of relaxation of stringency, but to a particularly favorable fiscal climate, which, according to the resume of Mr Alain Juppe himself, in the interview granted to the NOUVEL ECONOMISTE, causes the resources of the state to increase as the taxes decrease.

### Dilemma

To make the stringency easier to swallow, Mr Jacques Chirac could hardly have wished for any better circumstances, without a doubt, a few weeks back. All the more so because, covered with velvet, the iron hand of his great bankers makes criticism difficult. Denouncing a possible fiscal laxism means taking many risks, just as the electoral campaign is starting up. Attempting to prove that the stringency is merely apparent inevitably means reverting to the complexity of budgetary mechanisms that are perhaps the delight of the experts, but surely not acceptable at meetings. A dilemma which, for the Giscardian or Barrist challengers of the prime minister, is accompanied by the need to protect a majority unity that is just barely convalescent. On Thursday 17 September, at the same time and in the same place--the House of Representatives--Mr Michel d'Ornano, president of the Finance Commission, and Mr Edmond Alphandery, a sabra of Mr Raymond Barre, each separately devoted himself to this difficult exercise. For the Giscardian representative from Calvados, who approves of the governmental trend toward tax- and deficit-reduction, the government was nevertheless too "pusillanimous in reducing expenditures, which should simply have been thrown out, franc for franc."

Today, when the specter of the three-year plan--which made them jumpy--has disappeared, the Barrists are practicing a dialectic that is equally well balanced.



"The background of the second set of presidential elections," Mr Alphandery admits, not without a degree of plain speaking, "is a basic agreement with the government policy. That of the first set was a much more pessimistic diagnosis of the real health of the French economy, which demands more radical choices than those of Mr Baladur, and in particular to bring the tax reductions to bear more on businesses than on households." Nevertheless, it is no longer a question, as the friends of the former prime minister had let it be understood, of making a motive for revolt out of the fiscal aid to investment, refused by Mr Baladur. Their proposals in this area have in any case expanded to include an "aid to capital," which along with material equipment also dealt with training and research, etc.

#### Attacks

More frankly hostile, socialist criticism also makes use of an approach that is electorally more perilous; it consists of denying any inspiration of stringency in the 1988 budget. "The tight-reined administration that we had put in place," Mr Christian Pierret does not hesitate to assert, "has been abandoned." He is the socialist party representative from the Vosges and a former general chairman of the budget. The best example lies in the reduction of manpower; the government had promised to completely eliminate 20,000 jobs; in fact, it will be eliminating only 13,000, half of which are in the Postal and Telecommunications Service and thus do not come under the general budget. Attacks taken up in turn, but in a different key, by Mr Peter Beregovoy, who accuses his successor at the Rue de Rivoli of leaving behind for 1989 some 100 billion delayed-action bombs: losses of fiscal receipts or commitments to non-funded budgetary expenses, a necessarily ephemeral recourse to the receipts from privatization procedures, and especially the persistence of 40 billion in social deficits, concerning which the former socialist minister of social affairs, then of finances, is assiduously cultivating his image of giant-killer.

A complex matter par excellence and by nature subject to the manipulation of figures, an indulgence which neither the successive governments nor their oppositions deny themselves, as budgetary discussion rarely lends itself to definitive conclusions. At least the experts agree in recognizing that the working out of the 1988 budget has been greatly facilitated, first by the receipts from privatization procedures, then by the fiscal climate. The first advantage is the most flagrant. Reckoning on the product of the sale of state assets amounting to 50 billion, Mr Baladur decided, in conformity with the distribution formula in use until the present, to apply 35 billion of this toward reimbursing the public debt, thanks to which the state can boast of an advancement of the interest on the debt limited to 5.6 percent, and even to 0.4 percent if one excludes a certain number of public borrowings that it affects to its own account. The remaining 15 billion will be used under the form of capital endowments to the public enterprises: high-speed trains, highways, aeronautics, CdF Chemical, etc., but apparently not Renault, whose recapitalization program will not be entirely financed from this sum. Is it the debudgetization operation, as the opposition claims, that is swelling the real deficit of the budget to such an extent? Or, as the government intimates, would these endowments not have come to exist if there had been no privatization procedures?

A debate quite as inexhaustible as the one concerning the evolution of the tax receipts. No one contests the fact, indeed, that the excellent returns to the



national treasury in 1987 also constitute an advantage for 1986, to the extent that they serve as a base for the computation of the 1988 receipts. Nevertheless, the advancement retained for the latter, up 4.7 percent with respect to the initial budget for 1987 and taking into account the tax reductions, is perhaps as overly optimistic as the prognosis for the 1987 tax returns had been cautious. And this even if the economic stalemate of the budget--GIP growth of 2.2 percent in volume (as opposed to 1.5 percent in 1987), with consumer spending up by 1.5 percent (as opposed to 1.6 percent) and an inflation rate of 2.5 percent (after 3.4 percent)--does not seem to be exactly utopic.

Beyond this scientific controversy, the arguments between the majority and the opposition run the risk for the uninitiated of assuming the appearance of marketplace squabbles. As proof that governmental virtue is not totally disinterested, the rebudgetization efforts that the Rue de Rivoli is proceeding to implement will translate into a net gain for the state budget, simply because the charges thus reintegrated will henceforth be less than the receipts that are supposed to finance them. Given this advantage, evaluated at 7 billion, the responsible leaders of the opposition are crying scandal. "If good management of accounts is rewarded, so much the better," replies Mr Juppe. Moreover, is the way that Mr Beregovoy enters the "trades on the future" into the books, as drawn up by the government, justifiable, when the bill for military programming is considered under the same light? And this bill was an object of national consensus, the implementation of which will begin as early as this year; and what of the bill for compensating repatriates, the implementation of which has been postponed to 1989, although electoral advantages are expected from it much sooner than that? On this calculation, moreover, the services of the Rue de Rivoli have made their computers turn, and they end up with the conclusion that, by taking into account the financing of all the decisions that have already been made, the costs to the state will evolve spontaneously on a declining slope of 10 billion a year from 1989 to 1991.

Must the spirit of stringency be measured, however, by that yardstick, or rather according to more easily usable criteria? Thus it is clear that the government, in the name of the urgent need for European fiscal harmonization, but also of its electoral interest, of course, has preferred to make use of its margin of fiscal maneuverability to move toward further tax reductions, rather than toward a more radical reduction of the government deficit. Similarly, it is preparing to make more tractable the inflexible position it had maintained till then in the civil service salary negotiations. Finally, as the economist, Christian Saint-Etienne, emphasizes, (see p 84) the voluntarism of government budgetary management stopped at the borders of the labyrinth constituted by the reform of social administration and local finances. Between the desire of Mr Chirac to make an electoral trump card out of stringency and his fear of seeing it transform itself into an obstacle on the road that leads to the Elysée, the 1988 budget has had to make a compromise.

# Budget Minister Interview

35190002 Paris LE NOUVEL ECONOMISTE in French 18 Sep 87 pp 80-83

[Interview by Gilles Le Gendre and Jean-Pierre Sereni of Budget Minister Alain Juppe; date and place not specified]

[Text] Visibly, Mr Alain Juppe is a happy budget minister. The 1988 finance bill is first and foremost of his making. With tax reductions of an un hoped-for amount, the reduction of the budgetary deficit and a decrease in public expenditures that seems to satisfy all his colleagues, Mr Juppe wishes to contribute to the rediscovery of the winds of optimism that seem to be blowing on the government currently.

[Question] Thanks to the copious fiscal returns, the 1988 budget seems to have been rather easy to establish.

[Answer] Oh, no! It is a budget that looks easy today because we have worked hard on it and because the budgetary arbitrations were well conducted. Between 1980 and 1985 we lived with the vicious circle of bad budgetary management. This vicious circle was more expenses, more deficit, more debt, and thus more deficit again, etc. Since 1986 we have started a "virtuous circle" turning, by cutting down on expenditures, the deficit and the debt. It is true that good fiscal returns in 1986-1987 were added to that, especially by way of the corporation tax. We are thus in the process of showing that a rate of taxation on corporations that is weaker, although applied on a wider basis, because the business firms are making more money, generates more abundant fiscal returns for the state. That is precisely what I call the virtuous circle.

[Question] How are the control over expenditures and the good fiscal returns distributed?

[Answer] As regards the 1988 Budget, in which we cleared the way to financing 15 billion in deficit reductions and 27 billion in fiscal reductions (exclusive of the VAT on telecommunications), we have freed a margin of 42 billion francs. Of this sum, 30 billion is due to savings.

[Question] You reduce the budgetary deficit, but the deficits for social security or the local collectivities are farther than ever from being reduced.

[Answer] I believe that a clear distinction must be made between spheres of responsibility. The state does not administrate the social security budget any more than it does the budget of the local collectivities. Social finances are handled by the social partners. Moreover, in the evaluations of the social security deficit that have been made for the next year, we underestimate the effects of the previously determined measures for rationalizing expenditures. Finally, one cannot put on the same level the deficit of social finances and that of the state budget, in any case from the point of view of the macroeconomic effects. The insufficient financing of the social regimes and the collection of contributions--that is all so much purchasing power made immediately redistributable. Whereas in the government budget the detour is much longer.

[Question] And with regard to local financing?

[Answer] According to the latest figures that we have, the rhythm of advancement of local expenditures is moderating, with perhaps the exception of those regions that have to face up to major expenses incurred in the operation of their secondary schools.

[Question] The flood of announcements concerning tax reductions, especially the reduction of the VAT on automobiles, gives the impression of a little something here and a little something there. What are your guidelines in fiscal matters?

[Answer] This remark surprises me. The coherence is very strong, on the contrary. Our guidelines consist of harmonizing the French system of taxation with that of our partners as far as possible, with an eye toward the unique Grand Marche of 1992, but also of restoring the competitiveness of our economy. This policy has three points of application. It applies, first of all, to business firms, with the reduction of the profits tax and the reduction of certain aberrant fiscal burdens such as the over-taxation of industrial fuel, the tax on general costs, the professional tax, etc. The second point of application is the VAT. If there is one thing we can be sure of from the viewpoint of 1992, it is that people will certainly not stand for a rate that has increased by 33.3 percent. I do not know to what degree of harmonization we shall arrive. The negotiation will be difficult. But what we have decided to do, we would in any case have been constrained to do.

[Question] After the business firms and the VAT, the third pillar of your fiscal policy is....?

[Answer] It is the income tax. There, too, we wanted to work toward rapprochement with the taxation systems of our partners. It is true as far as the greatest reduction of the rate is concerned. But it is equally true for the entire reform we have carried out on the income tax. For if you add up the tax levy and the social levy, middle and low incomes are over-taxed in France. As we knew that it was inevitable that we should have to raise the social levy, we chose to lower the income tax in the lower and middle brackets. Finally, a third aspect also moving in the direction of harmonization: We were faced with a hyper-progressive scale in the middle brackets. It is this hyper-progressivity that we are now in the process of correcting, by means of a 4-percent reduction in the 10 to 45 percent brackets.

All things considered, therefore, I should like to insist on this point: We have a fiscal strategy that extends over several years. Simply stated, inasmuch as several taxes are at stake, that sometimes gives a superficial impression of fragmentation. Was it necessary to put 70 billion on the VAT alone or on the profits tax alone? Of course not!

[Question] In the future, will it be necessary to give equal consideration to these three aspects?

[Answer] It is evident that our first battlefield will be the VAT. But much still remains to be done in the matter of corporation taxes. For the income tax, we have on the whole done what is essential, but the scale has yet to be modernized.

[Question] By lowering the marginal rate to 50 percent?

[Answer] That is one goal.

[Question] After reproaching the left on many occasions in 1986 for having effected a pre-electoral recovery, are you not in the process of doing the same thing?

[Answer] We must be serious. Add up the monetary policy, the policy on salaries and the budgetary policy, and show me where there has been a recovery. Certainly the tax reductions over the course of two years exceed the levies of social contributions: the former amount to 69 billion, as opposed to 30 billion for the latter. But we could talk about a recovery if the expenditures and the budgetary deficit were not diminishing in parallel fashion.

[Question] Just the same, the good returns from the VAT, which facilitates the budgetary stalemate, come from continued consumer spending, which in all other respects unbalances foreign trade.

[Answer] Consumer spending is not as strong as you say it is. It is clear that the state of our foreign trade leaves us only a slight margin of maneuverability. The recovery recommended by certain people at the beginning of the year would have been quite inopportune.

[Question] So why does the VAT yield such good returns?

[Answer] It does so in relation to our initial prognoses, which were relatively cautious. But to come back to the trade deficit, the right way to restore our competitiveness is by ceasing to penalize the business firms by excessive taxation. This is a long-term matter. Foreign trade, even more than unemployment, is still the indicator that will take the longest time to right itself.

[Question] When can the industrials hope to see tangible results from the work of the Mentré Commission on the reform of the terms of depreciation?

[Answer] The report of this commission is anticipated in November. But the terms of depreciation have no legislative or regulatory character. It is a question of procedure. For example, a truck generally depreciates over a period



of five years, but you can depreciate it over three years if you can prove to the fiscal administration that your truck is being driven under such conditions that at the end of three years it will be ready for the truck graveyard. The risk of problems arises when a profession as a whole determines at a single stroke to reduce its terms of depreciation. That is why we have created this commission. It will make its proposals, and the administration will draw inferences from them. But reducing the terms of depreciation is not without danger. For a business enterprise, an overly rapid depreciation runs the risk of over-taxation if it is forced to then mark a pause in its investment efforts. One must always pursue the middle course.

## TAX REDUCTIONS: THERE IS SOMETHING FOR EVERYONE

### I. IN FAVOR OF THE BUSINESS FIRMS

	1987 (reminder)	
Total reductions	18.9	
With inclusion of the advancement to 1987 of the tax reduction from 45 percent to 42 percent of the tax rate on profits	6	
<hr/>		
	1988	
Improvement of credit tax research	0.5	
Introduction of the VAT on telecommunications	6.8	
Reduction of the professional tax	2	
Suppression of the tax on general costs	1.2	
Reduction of the tax on heavy fuel	0.4	
Increase from 50 to 60 percent of the rate of deductibility on fuel oil	0.18	
Measures in favor of agriculture	0.25	
Exoneration of the VAT on clinics	0.4	
Suppression of withholding at the source on the income from loans	0.98	
Modification of the regulations on parent corporations and their branch companies	0.45	
Increase in the ceiling of deduction for adherents of authorized centers of management	0.54	
Deductibility of the costs of current accounts of associates	0.3	
Effect of balance on the reduction of the profits tax	0.4	
Various	0.2	
Total 1988	14.6	
Total 1987 + 1988	33.5	
Total: business firms + households 1987 + 1988	69.1	

### II. IN FAVOR OF HOUSEHOLDS

	1987 (reminder)	
Total reductions	18.4	
With inclusion of VAT	1.6	



# 1988

Reduction of 4 percent in the tax brackets between 10 and 45 percent and of 2 percent in the tax brackets between 50 and 58 percent	7.6
Deduction of the salaries paid to home addresses	1
Increase from 5 to 7 years of the maximal age of children with a right to deduct day-care costs	0.22
Partial exoneration of the indemnities for early retirement	0.18
Measures favoring patronage	0.12
Measures favoring lodging	0.4
Reduction from 33.3 percent to 28 percent of the VAT on automobiles	6.2
Reduction from 33.3 percent to 18.6 percent of the VAT on recordings	0.68
Reduction from 18.6 percent of the VAT on itinerant fairs	0.15
Various	0.7
Total 1988	17.2
Total 1987 + 1988	35.6
Total: business firms + households 1987 + 1988	69.1
(figures given in billions of francs)	

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## FATA'S LONG ASSOCIATION WITH USSR VIEWED

Rome LA REPUBBLICA in Italian 23 Oct 87 Supplement p 13

[Article by Salvatore Tropea: "FATA Enchants Gorbachev"]

[Text] The story of the Turin corporation that created the first joint company ever in the Soviet Union.

Turin—The "new czar," as his colleagues have been jokingly calling him since the agreement was signed a little less than 2 weeks ago in Moscow, is a gentleman who is already past the age of 60 and yet is lean and uncommonly dynamic. His name is Gaetano Di Rosa, and he has a definite, requited passion for the Soviet Union. Next year will be his 40th anniversary with the FATA European Group of which he is president and delegate administrator.

His connections with the USSR go back a long way, to the Khrushchev years, but his master stroke has been achieved amid Gorbachev's "perestroika." This business coup and its prospects for opening up the immense Soviet market are what we came to talk to him about at Pianezza, at the gates of Turin. The little Kremlin of Gaetano Di Rosa is a stupendous edifice that bears the name of Oscar Niemeyer; it is a corner of Brasilia transported to the industrial outskirts of Turin. It features elegant architecture, blue pools of water on the lawns and in the undulating gardens, arches of glass, cement, steel and wood; it flies the Italian tricolor and a white and green flag bearing the "FATA" logo.

## A Great Day

Despite his knighthoods and commendations, the president of FATA continues to be "Mr. Di Rosa" to his workers. That is what his secretary, an very efficient blonde lady, called him in announcing the arrival of a Kenyan government delegation. But before meeting with the emissaries of David Arap Moi, he has enough time to talk about the USSR agreement and others.

Monday 12 October was a great day for Di Rosa. He was in Moscow to become one of the prime movers in the first industrial agreement between the West and Gorbachev's USSR. "It was an exceptional opportunity offered by the Moscow government," he says. "It had never happened before in the history of the USSR. True, a lot of agreements had been reached in the past, but this was the first time a joint company had been formed." In essence, FATA, a group specializing in planning and building industrial plants, and the Soviet Ministry of Light Industry have created

Sovitalprod mash. It is a company that will produce 230,000 refrigerators and cold-storage lockers a year; it has \$30 million in capital, 27 percent of which is contributed by the Pianezza company and 73 percent by the Soviets.

"This is all to Di Rosa's credit," a vice-prime minister, Ivan Silayev, stated publicly. Naturally the president of FATA is proud of it. "On 3 February," he recalls, "we signed a preliminary agreement with Minlegpishmash for the first joint industrial company between a Western firm and a Soviet organization under the new economic legislation approved 20 days earlier by the USSR Council of Ministers. Only 8 months later we were able to reach a definite agreement. The speed with which this was accomplished confirms the climate of great change brought about by the new course taken by Gorbachev."

Di Rosa talked enthusiastically about Sovitalprod mash, recalling that it has already acquired \$160 million in credit, 85 percent of which is underwritten by Mediocredito Centrale, while a \$55 million Euroloan for the company's startup phase will be supplied by the Italian Commercial Bank. The activity of the new companies, which will be located in Volzhks, will begin in a little more than 2 years. The turnover is projected to be \$500 million a year. The plants, which will employ 2,000 people, will have over more than 80,000 square meters in area. "But the vice-prime minister announced that another 220,000 can be used," Di Rosa emphasizes. This means that there is still a lot to do in a country where government officials are beginning for the first time to talk courageously about the need to "work and make profits, too."

Di Rosa arrived in Moscow for the first time in 1959. "I arrived carrying the traditional briefcase and tried to find somebody to talk to. It wasn't easy. But I was aware that there was an expanding market there. I picked up signals that were, however, vague and were made very confusing by the persistent cold-war climate." His flair for business paid off 3 years later in helping stage the first Italian exhibition in the Soviet Union.

The president of FATA tells how it happened: "Piero Savoretti organized it (he is said to have acquired prestige in Italian-Soviet trade at the time—editor's note), and it was opened by Khrushchev himself. It was a very Turinese initiative, and not only because of Savoretti. All the participants had to contribute towards it, because government support was unthinkable at the time. It was the first step on a long road, almost a quarter-century long, during which time Italy has exported mechanical and technological goods worth \$40 million to the Soviet Union."

The second step goes back to 1967. In that year, Prof Valetta, shortly before his death, signed the agreement between Fiat and the Soviet Union for the construction of the Togliattigrad plant. "That operation," Di Rosa observes, "gave great prestige to Italy. Some Soviet ministers even encouraged learning Italian. After this development, contacts intensified, but there was never any cooperation for the purpose of forming a joint company like this one."

FATA succeeded in signing an initial agreement in the USSR after the 1962 exhibition. "We then made an offer that was amazing considering the size of our company," the president recalls. "It was for two large speed reducers intended for an inclement region like Siberia; they would be able to work under temperature gradients of more than 50 degrees centigrade."

Five years later there was the heavy bus factory at Kamaz, where we sold the entire aluminum foundry and 40 km of overhead conveyors."

## Food

Subsequently, FATA intensified its relations with the Soviet Union, emphasizing food. An example is the food products center in the Kuban region on the Black Sea: 200,000 cows and a river of milk to process, package, refrigerate and distribute. The Soviet market is one of the most important outlets for the Pianezza group, which is active internationally in industries including manned and automated plants, the planning of complete factories, port installations, and the production of aluminum-laminating machines.

When he talks about the subgroup's success, Gaetano Di Rosa often tends to attribute it to "strong research programs and keen attitudes toward operating in international markets." "Want proof?" he asks. "Here's some. Exports account for 80 percent of the group's turnover. There is also the passion for work that I somehow succeed in transmitting to my coworkers."

Twenty years after Fiat's entry into the Soviet Union, that country still arouses fascination and interest. "It is a country in which there is a lot to do, because the Russians have a great drive to do things," he told Umberto Agnelli after a recent trip to Moscow. FATA's president is more than ever convinced of this propensity in the Soviet Union. And he has said so. On the occasion of the "Forum for a Denuclearized World and the Survival of Humanity," which was held in Moscow last February, he said, "For some months we have been witnessing the rapid development of a new tendency in the USSR oriented to stimulating and giving new impetus to foreign trade and cooperation with Western companies.... The major novelty consists in the formation of joint companies and the attention that Soviet authorities have been giving it."

With this speech Di Rosa was looking at the big picture. But now that he has moved into it, is it possible to know what his new objective will be? After the USSR, what? "After the USSR, the USSR," he jokes. Then, more seriously, he adds, "The Soviet Union is enough for one person's lifetime. The biggest refrigerator producer in Europe makes 10,000 units a year. In the USSR we plan to make 180,000. That is the kind of figure that makes that immense country so interesting."

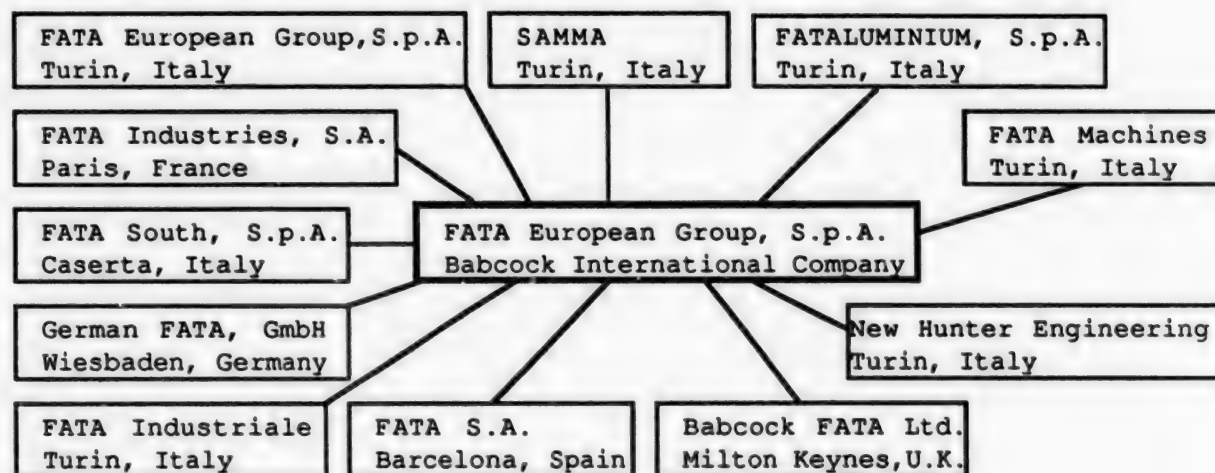
Obviously, the USSR is the priority area, but it is not the only area in which FATA is interested. The other 380 billion lire turnover of Di Rosa's company comes from a market stretching from the United States to Europe and Africa. Africa is Di Rosa's other passion. He is playing the same hunch that took him and his briefcase to Moscow 30 years ago. "It's very different from the USSR, but it is very big and there is a lot to do there." What is there to be done? "I have a project in mind but I can't tell you what it is," says FATA's number one man.

Almost certainly it will be the subject of the discussions to be held with the Kenyan delegation. One of this businessman's main characteristics is that he succeeds in winning people over even when they are heads of state. Mengistu told him at one point, "We are very interested in working with you Italians because you have the ability and honesty to transfer your knowledge."



Di Rosa remembers this comment and takes it as a compliment that he extends to the entire country: "It means that we are a reliable country. And this is a very important thing for business, it's a credit card." We turn to the African market. Is it only a prospect? "No. In Ghana," he answers, "we built a gigantic food packing plant. It is a revolutionary achievement that is radically changing that country's economy and is having a noticeable impact on other areas of the Third World. In Ethiopia we are transferring technologies and have even hosted a hundred young people here at Pianezza. They have become good engineers ready to work for their country, and they have an excellent education."

For Africa there is an engineering company in progress and something else that Di Rosa would not like to talk about just now. He does not show his cards; rather he turns back to things already accomplished in Europe and the United States. He says, "We have a level of diversification that enables us to maintain a presence even in strongly industrialized areas like the Old World and America." Then he begins to talk about Moscow again, and his last comments before entering the conference room, where the Kenyan guests have already arrived, are about the Soviet Union. "A great country, great country!" From Russia with love.



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## ANSALDO TO BUY INTO THERMOENERGY PLANT CONSTRUCTION FIRM

Rome LA REPUBBLICA in Italian 17 Oct 87 p 40

[Article: "Ansaldo Allies With Belleli in Thermomechanics"]

[Text] The agreement with Riva Calzoni provides for an acquisition of 15-20 percent.

Rome—Here is a new installment in the unfolding thermomechanics story. Once again, the main character is Ansaldo. Having concluded its most recent agreement with Riva Calzoni of GIE [Economic Interest Group] it announced an agreement with the Belleli company yesterday. The public corporation of the IRI [Industrial Reconstruction Institute]-Finmeccanica group will reportedly acquire a 15- to 20-percent minority share of Belleli mechanical industries.

## Joint Company

At the same time, a joint company is being formed that will be headquartered in Geneva. It thus creates an Ansaldo-Belleli consortium for supplying power to ENEL [National Electric Power Agency]. The two companies have let it be known that the consortium is open to Franco Tosi di Giampiero Pesenti, the other big company in the sector, which recently reached an agreement with the Swiss company of Brown Boveri. But that is not all. Ansaldo has been studying a new alliance in the sector, one with GIEM (Ercole Marelli Industrial Group).

The Belleli company, entirely controlled by the family of that name, operates in the sector of plant construction for nuclear and conventional thermoelectrical plants, offshore oil-drilling platforms, oil refineries, desalinization plants and large territorial infrastructures. The company has an annual turnover of about 400 billion lire and employs more than 4,000 workers. In Italy, the Belleli's production plants are located in Mantua, where the company headquarters is also located, Taranto and Syracuse. Abroad, the Belleli company has some construction yards in its mountain division and is present in Saudi Arabia with the Al-Jubail plant. More than 70 percent of the company's activity abroad takes place in regional markets such as the EEC, eastern Europe, the Middle and Far East, South America and Australia. The company is also present on the U.S. and Canadian markets.

At the beginning of the year, the Belleli company acquired 60 percent of the former Cimimontubi company from Finsider. Among the major contracts acquired by the company are one for building oil-drilling platforms in

Libya and one with the Norwegian oil company Statoil, also for off-shore oil-drilling platforms.

The Ansaldo-Belleli agreement is, for the moment, the last act in a process of change that began 2 weeks ago in the thermoelectric and mechanical sector. Important new developments are represented by the agreement between the Franco Tosi company and the Swiss company Brown Boveri, more recently by the Ansaldo-Riva Calzoni agreement, which has decidedly strengthened the GIE, and by the Ansaldo-Belleli agreement announced yesterday. From time to time, all sector officials had emphasized the necessity to concentrate and rationalize production at both the national and international levels. The reason is that the sector has a 40-50 percent excess productive capacity internationally and faces a difficult market in which no group holds a real position of leadership. European companies also face an important deadline in 1992. At that time the unitary EEC market will be born, and they will be cut off from hitherto secure share of the national market. For this reason, the Italian companies have already been making numerous contacts. Similar events are also taking place abroad. As of 1 January of next year the agreement between the ASEA [Swedish General Electric Corporation] and the Swiss Brown Boveri will take effect. The two groups will have a combined turnover of 20 trillion lire. Ansaldo thus thought it was needed to prepare Italian industry to meet the European liberalization of 1992.

#### The Field of Plant Construction

The abortive attempt to reach an agreement with the Tosi di Pesenti company is a step in this direction. The basic strategy of this agreement is to strengthen each participant in the field in which it has already been working. This alliance will result in the beginning of true specialization. Ansaldo has decisively strengthened its position in the field of plant construction by acquiring a majority of GIE and taking on the function of building plants for the Belleli operations. The Riva-Calzoni deal strengthens its activity in the field of hydraulic turbines with the acquisition of the Hydroart share as provided in the Ansaldo agreement. Finally, Belleli strengthens its role as a supplier of thermic cycles for electrical plants.

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CSO: 35280034c

## BANCO DI NAPOLI EXPANDS TO FAR EAST

Rome LA REPUBBLICA in Italian 17 Oct 87 p 42

[Article: "The Bank of Naples Makes a Joint Venture in the PRC"]

[Text] The Neapolitan credit institution has also decided to open a branch in Hong Kong.

Hong Kong—The Bank of Naples, following its program of internationalizing the institution and promoting foreign activity, moved into Hong Kong yesterday with two important initiatives: the opening of a branch in the city and the formation of a joint venture with a PRC financial institution.

The purpose of the initiative is to develop trade relations between Italy and Beijing in the industrial and tertiary sectors.

The president of the bank, Luigi Coccioli, and the general director, Ferdinando Ventriglia, inaugurated the elegant new headquarters located on the 33rd floor of the skyscraper at One Exchange Square. They emphasized the fact that the initiative extends the Neapolitan institution's presence in the Pacific, where the prospects, as Ventriglia pointed out, "are decisive and interesting, given the intense economic development taking place in the region."

"The concentration of highly innovative activity on the West Coast of the United States and in Japan; the sustained growth rate of countries such as Hong Kong, Singapore, Taiwan, Malasia, South Korea; the proximity of a large market in China, which is giving clear signs of opening up to the Western economic system: these are the basic reasons that have encouraged us to come into the region."

"To accelerate penetration of this market," Ventriglia also said, "we have formed a joint venture between the Bank of Naples and CITIC (an organization that exercises the same functions as the IMI [Italian Credit Institute] in Italy), each with a 40 percent share."

The other 20 percent is divided between Tonsbridge and Shanghai Overseas Corporation. The latter company is very active in provinces inside China. It is headed by Rocco Tedeschi, an Italian who has been living in Asia for 40 years.

Ventriglia and Coccioli have since furnished some data on the bank's activity. The foreign operations of the Neapolitan institution presently involve five branches (in Buenos Aires, New York, Frankfurt, London, and Hong Kong), six trading offices (in Moscow, Sofia, Brussels, Paris, Zurich, and Los Angeles), and a franchise, the International Bank of Naples with headquarters in Luxembourg.

"Among the foreign branches, the one in New York," said Ventriglia, "according to the most recent official statistics, is in first place among the Italian banks operating in the United States, in second place among European banks, and eighth among foreign banks."

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CSO: 35280034b

## REPORT WARNS LAGGING ARCTIC RESEARCH MAY HURT ECONOMY

36390014a Oslo AFTENPOSTEN in Norwegian 11 Nov 87 p 9

[Article by Kjell Dragnes: "Norway Behind In The Arctic"]

[Text] Norway lives on its old reputation as a major polar nation, but Norwegian Arctic research is falling behind both in relation to our former effort and to what other countries are doing in the north. This can have both political and economic consequences. This is pointed out in a report called "Norwegian Arctic Research In Perspective." The report was prepared by a cross-disciplinary committee under the direction of the Fridtjof Nansen Institute.

The Norwegian share of overall Arctic research has decreased significantly in recent years, and this at the same time the northern areas have become more important both as a resources area and in terms of military strategy. Other countries have expanded their work, while we have stood still and partly reduced activity, although there are expressions from the political side about how important it is for Norway to "show its face" in the Arctic.

## Stoltenberg

Foreign Minister Thorvald Stoltenberg, for example, has spoken of the importance of a uniform northern policy which would include security policy, law of the sea, resource utilization and environmental protection. Storting report no. 40 (1985-86) also stressed that Norway should not lag behind. Nevertheless this is what is happening, the reports points out.

## Balancing

Undersecretary Kari Gjesteby, the head of the undersecretarial committee on the northern areas, said at a seminar at which the report was presented that Norwegian research work and presence in the north are also important so Norway can exercise its sovereignty, on Svalbard, among other places, where it is desirable to strengthen Norwegian research. But owing to conditions in the north, there must be a balancing of national work and international interests, she said. The undersecretary was pleased with the lead taken by General Secretary Mikhail Gorbachov in Murmansk in early September when he said that the Soviet Union was open to international research cooperation



in the north. On the Norwegian side, we are prepared to make a constructive contribution toward more extensive cooperation which would benefit all five Arctic states, she said.

#### Bleak Picture

The survey of all Norwegian efforts which has now been done for the first time nevertheless gives a bleak picture of Norwegian activity in the north. The total of resources going into polar research generally and Arctic research in particular is a bit less than one percent of what is allocated for research purposes. While a country like the Soviet Union has far more than 3,000 man-years in Arctic research, by comparison we have approximately 120. Furthermore, in Norway the effort is marked by randomness and a lack of organization, even if most of the research is carried out by a few of the major institutions.

#### Management Ability Weakened

The gap in the policy interest in the northern areas, the need for more knowledge so as to be able to run things better, and the effort to obtain this knowledge has been weakened. Norway's management ability has also been weakened thereby, it was asserted at the seminar.

A committee has now been set up which before next summer will further straighten out the fate and future course of Norwegian Arctic research. But something must be done now if Norway is not to become a developing country in the Arctic. Tore S. Jorgensen, director of the Foundation for Scientific and Industrial Research (SINTEF) group, put it this way: "In Svalbard and the Barents Sea, Norway has an Olympic arena in which many exciting competitions will take place, where amateur rules will not be in force. The question is whether we'll participate actively or whether we'll just collect rent on the track and otherwise sit in the stands."

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## NORWEGIAN-FINNISH INDUSTRY GROUP BACKS SVALBARD COAL MINING

36390014b Oslo AFTENPOSTEN in Norwegian 26 Oct 87 p 18

[Article by Flemming Dahl: "Industry Group Has Faith In Profitable Svalbard Coal"]

[Text] A Norwegian-Finnish industry group is expressing its faith that higher coal prices and modern mining methods will make it profitable to extract coal in the Gipsdal on Svalbard.

This faith emerges at a time when the state-owned Store Norske Spitsbergen Kulkompani is reducing its loss-producing coal production on the northern island group.

After several years of exploratory digging in the Gipsdal north of Store Norske's mines in Longyearbyen and Svea, the Norwegian-Finnish group has prepared new estimates of the size of the deposits, which have been known for a long time.

The group--which consists of the Norwegian corporation Arctic Exploration Company and four Finnish state-owned companies operating under the name Finn Coal Development--is talking about approximately 300 million metric tons of coal which under certain conditions could produce a profitable business.

And the group expresses its hope that more surveying will result in larger estimates. The group is working on land claims belonging to Arctic but the work is paid for by the Finnish partners, in the expectation they will share in any possible future surplus.

#### Diplomatic Reaction

Even if 300 million metric tons are many times more than what Store Norske is talking about in its areas, Norwegian authorities reacted with diplomatic interest rather than marked enthusiasm when Arctic recently released its figures.

Undersecretary Kari Blegen of the Ministry of Industry said she found it "interesting" that Norwegian interests other than Store Norske saw possibilities on Svalbard.

With further surveying in mind, she has advised Arctic to contact Store Norske as well as all financing organs such as the DU, the Industrifond and the Industribank.

Robert Hermansen, the chairman of Store Norske, had grounds to observe that the state-owned company's major problem is not the lack of coal reserves but making the mining profitable.

Helge Ringdal, Arctic's managing director, did not wish to go into details about how the Norwegian-Finnish group would proceed, but said that financing prospects will be studied. He suggested several years surveying would be needed costing 12-14 million kroner.

Ringdal expressed the hope that oil prices, and coal prices with them as well, will rise in the 90's. He is eyeing prospects for producing coal more rationally than Store Norske.

While this state-owned company now plans on producing under 300,000 metric tons per year, Ringdal thinks a yearly production of several million metric tons is essential in order to achieve Gipsdal's potential.

#### Commuting Workers

Besides production equipment which is more modern than Store Norske's, he spoke of staff commuting between the mainland and Svalbard, just as oil workers commute to and from the North Sea.

Pre-production investment can be held to under one billion kroner, Ringdal predicted. But he emphasized that much work remained to be done before the Norwegian-Finnish group, possibly with new participants, could make a serious assessment of whether the project can be undertaken. What Norwegian authorities clearly want to avoid is becoming economically involved in a new coal project, as long as it cannot be said with near certainty that it would be profitable.

If a good project is put on the table in the next few years, the authorities will just as clearly be interested in a major Norwegian share in the participation. But at that point the interest from private firms could prove to be so great that a Norwegian-dominated project could see the light of day without there being significant state involvement.

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## CENTRAL BANK DEPUTY WARNS BUDGET BILL COULD WEAKEN ECONOMY

36390014c Oslo AFTENPOSTEN in Norwegian 13 Nov 87 p 5

[Interview with Kjell Storvik, deputy chief of the Bank of Norway, by Kjell Hanssen; date and place not specified: "Worry At The Bank Of Norway: National Budget For The Worse"]

[Text] "It is difficult to see how the economic policy which has been drawn up for Norway in 1988 is particularly well suited to promoting expansion and growth in business and trade. A number of measures in the budget undermine businesses' prospects of securing new risk capital for themselves from the market. In addition to what is now happening internationally, we have several conditions here in this country which make the problems greater."

Kjell Storvik, the deputy chief of the Bank of Norway, told AFTENPOSTEN that he finds little agreement between the budget which is on its way to being approved and statements made by a unanimous finance committee. The committee has made a precise analysis of the uncertainty in the world economy and of the need for a pronounced change of policy in Norway. But it does not draw conclusions.

[Question] Many will wonder what, for example, could get a majority in the Storting to levy a new sales tax on stock shares.

[Answer] That too. And there's net taxation on stock profits and other measures.

[Question] How much out of step with the world economy is the Norwegian economy really?

[Answer] Measured in terms of wage and price trends: a great deal.

Is this not unusually tough talk by a representative of the country's central bank? No, Storvik does not think so. Nor are these new points of view for the bank. As far back as last year, in connection with the devaluation, the Bank of Norway said that a devaluation of the krone had to be linked with strong retrenchment measures. If this did not happen, the effect could be wiped out by a greater price and cost escalation.

[Question] And the national budget for 1988, doesn't it make a turn for the better?

[Answer] No. To be sure, the interest level is high and that dampens loan-financed demand. But that is not accompanied by a corresponding tightness in financial policy. Confidence weakens. They talk about releasing resources for competitive production. But then we have to have greater access to available labor and risk capital. Secondly, resources have to be turned into competitive products. But we're about at the top in the world when it comes to costs, something out of which you don't get very competitive business and trade.

[Question] So what has to be done?

[Answer] The problem is that the Norwegian strategy hasn't realized that things could go worse than what the optimists hoped for. Neither have they changed now that things have proved to be going worse. Originally, Storvik believes, we ought to have aimed for a surplus in the balance of trade, not a deficit. Policy ought to have been such that firms were supplied with reserves, not deprived of reserves through a growth in wages that was much too sharp and increased duties and taxes.

"We should thus have a strategy for growth in traditional business and trade activity which is open to competition. This strategy should also include financial institutions. They must be able to build up ample reserves so that they can sustain supplying both risk and loan capital to firms which are open to competition. Then we must also gain understanding for the proposition that banks can work with satisfactory profit margins."

[Question] The Bank of Norway has now issued a statement in support of banks. Does this mean investors have a reason to feel uncertain about their money?

[Answer] No, absolutely not. First of all, it is usual for central banks to issue such statements, not the least when the international situation is troubled. Second, an extensive safety net is stretched out under the entire Norwegian banking system. First, there are the legal requirements to banks about their own capital. Next, reasonably good access in order to make sales to an en bloc fund. Third, two separate insurance funds. So the Bank of Norway acts as a last bulwark.

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## REPORTED ECONOMIC OUTLOOK FOR NEXT CENTURY

35480023 Madrid CAMBIO 16 in Spanish 26 Oct 87 pp 116-120

[Article: "What Spain Will Be Like in the Year 2000"]

[Text] The main problem that will face the Spanish economy at the end of the century will be unemployment, followed by the public deficit, and inflation. This is one of the results accrued on an exclusive basis by CAMBIO 16, from a poll taken by the Delphi method, in which 20 of Spain's best economists have participated.

All of them made their predictions from now until the year 2000, and the conclusions reached may be summarized in the following points: Approximately 250,000 jobs will be created annually, but this does not mean that the number of jobs destroyed will not increase; real wages will rise above inflation, and the latter will never be reduced from 3 percent per year; there will be a cut in the public deficit, but at the cost of tax hikes, taking money from the pockets of Spaniards. There will be no tax reform, but slight changes will occur in certain taxes, for example, in business owners' contributions to Social Security. We shall be more urban, unbridled consumers, and directed toward the services sector. Agriculture will be the sector most harmed by Spain's new development: rural workers will be reduced by a half.

The autonomous communities whose economies will prove most dynamic will be Murcia, Valencia, Baleares, Canarias, and Madrid. On the other hand, Castilla-La Mancha and Extremadura will remain in obvious retrogression; while Asturias, Castilla-Leon, Galicia, the Basque Country, and Cantabria will remain stagnant.

In your opinion, which are the most important problems confronting the Spanish economy? In order of importance, the replies from those polled were as follows: Unemployment, deficit, inflation, foreign competition, Social Security reform, integration into the EEC, achievement of a better quality of life, financing of the autonomous regions, occupational training, inequality in the distribution of income, high real salaries, and meager technological development.

There is unanimity among all the panelists that the trend toward urbanization of the population will persist. All those queried share this view, although only 15 percent believe that it will be marked.

It is significant to note that, by the year 2000, there will be autonomous communities that will be clearly population gainers, which will apparently predict a promising future for them. For example, Madrid, Barcelona, Baleares, Valencia, La Rioja, Navarra, Murcia, Cantabria, and Canarias will grow in numbers of inhabitants; while Extremadura, the two Castillas, Galicia, Asturias, and the Basque Country will suffer migratory movement that will cause a decline in their populations. Generally speaking the communities whose numbers of inhabitants will increase between now and the end of the century correspond to those that the individuals polled described as having very dynamic activity up until the year 2000.

These results reflect the Spanish population's tendency toward concentrating in cities for many years. In 1940, the population residing in the rural areas amounted to 50 percent; a percentage that dropped to 33 in 1985. A total of 84 percent of the participants believe that this trend will continue, although not so markedly.

#### Economic Progress

Good winds are blowing for the Spanish economy. In the view of those polled, from now until 1990, and subsequently until the year 2000, the economy will grow, in overwhelmingly majority percentages, to an average ranging between 2 and 4 percent of the gross domestic product (GDP). Only a minimal group of optimists think that the economy will grow over 4 percent, and the same percentage believe that negative growth could occur.

There is every indication that Spain is heading toward a developed country structure, wherein the services sector will contribute largely to the nation's productive development, with the spur that Spain has a competitive advantage in certain products, which it must continue to maintain, so as not to miss the boat of the Western nations.

By the year 2000, 62 percent of the population will be working in the services sector; 27 percent, in industry; 6 percent, in construction; and 5 percent, in the rural area.

In 1985, the estimated contribution from the productive sectors to the GDP was as follows: agrarian, 6 percent; construction, 6.6; industry, 29.3; and services, 58.1

#### Consumption, Investment, and Savings

During the next 10 years, Spanish society will become very consumer-oriented. The spectacular "boom" of 1987 is merely the sign of what will occur in the future; although we shall still be very far removed from the consumption patterns of other European countries. Spaniards will be able to enjoy many goods that are still denied them. During the period 1980-86, private consumption, which represents nearly 70 percent of the GDP, increase at an annual rate of 2 percent, very similar to that of the economy as a whole.

Investment, after having declined almost constantly from 1975 to 1984, and having improved appreciably during the past 2 years, will continue to grow. Business firms will continue catering to the purchasing fever; although, in this respect as well, Spain will remain outside the European behavior patterns.

Of those polled, 47 percent think that, from now until 1990, we shall save between 22 and 26 percent of the national income; while 52 percent believe that, in 1995, only between 18 and 22 percent will be saved; and 63 percent of the panelists think that we shall be moving in this same direction by the year 2000.

According to those polled, by that same year, the public administrations will not be saving anything (there will be a continued increase in current spending on subsidies, salaries, Social Security, and other items); and it will be the private savings of families and business firms, primarily the latter, that will make possible new investments in equipment and other public infrastructure.

In 1974, the Spanish economy's gross savings totaled a maximum of 25 percent of the national income; a proportion that declined constantly until it reached 17 in 1983. Since then, savings have recovered, and in 1986 accounted for 22 percent of the national income. In spite of everything, this percentage is considered insufficient, and it is thought that savings, interpreted as a country's investment capacity, should be about 30 percent of the national income.

#### Employment and Wages

The majority think that, until 1990, the rate of increase in employment will remain at 2 percent and even more; which means that about 250,000 jobs will be created annually.

Between 1974 and 1984, over 2 million jobs were lost in Spain. This tendency seems to have stopped in 1985 and 1986, with the creation of 68,000 and 332,000 jobs, respectively. Last year, employment increased 3.2 percent.

From now until the end of the century, rural workers will decline by half. Employment in construction will remain nearly stabilized, and the services sectors will post a rapid growth, employing as much as 61 percent of the population.

In 1986, the employment by sectors in Spain was distributed as follows: 15 percent were working in the rural areas; 8 percent were working in construction; 24 percent in industry; and 53 percent in the services sector.

From now until the year 2000, work productivity (the value of a country's total production in real terms, divided by the number of workers) will increase about 2.5 percent; at least in the view of 63 percent of those polled. A total of 26 percent think that productivity will tend to slow down, and only 10.5 percent believe that it will increase over 2.5 percent. During the past 6 years, productivity rose an average of 2.5 percent annually.

And the majority also think that real wages will increase above inflation during the next 15 years; as they have during the past 5 years.

Of those participating in the poll, 78.9 percent consider it impossible in Spain for inflation to drop below 3 percent from now until the year 2000. Only 10.6 percent of the optimists think that it may break that barrier; and the same percentage of pessimists believe that we shall always stand above 5 percent in this respect.

#### Public Sector

According to the poll results, during the next decade it may be claimed that the deficit will be retained, with a slight moderation. A total of 68.6 percent of the panelists believe that, by the year 2000, the deficit will decline from 5 percent of the GDP, while the rest cite as much as 26 percent. Only 5.6 percent hazard the guess that this deficit will become a surplus by the end of the century.

The public deficit is one of the most serious problems facing the Spanish economy. During recent years, some progress has been achieved in curbing it, with a reduction in the public administrations' deficit, in national accounting terms, amounting to 6.2 percent of the GDP in 1984, to 5.8 percent in 1985, and to 5.7 percent in 1986.

Moreover, it appears inevitable that, over the next few years, Spain will be taking more money from Spaniards' pockets for taxes. A total of 31.6 percent think that the tax pressure will rise over 35 percent, and even 40 percent, above the current levels (35 percent); although it is true that, in the developed countries, the tax pressure ranges around 40 percent.

Over half think that there will be no tax reform over the next 15 years; but considerable changes will be made in certain taxes, such as the IRPF [Personal Income Tax] and VAT [Value Added Tax]. In the event of a tax reform, the main goals that those changes would pursue would be to reduce the contributions to Social Security (according to 84.2 percent of the experts queried), to simplify the tax legislation (84.2), to raise taxes above consumption (68.4 percent), and to close the income tax brackets (47.4 percent).

Nearly all those polled, 84.2 percent, think that there will be a privatization process, and that the burden of the public enterprises will decline in the economy as a whole.

#### External Sector

Spain is heading toward a completely open economy, wherein the volume of imports in relation to the GDP will increase considerably: 47.4 percent of the panelists think that, by the year 2000, imports will represent between 20 and 25 percent of the GDP; and a somewhat larger percentage believe that exports will move in that direction. During the last 5 years, imports rose from 15.5



percent to 17.6 percent of the GDP, and exports, from 10.1 to 15.4 percent thereof.

This year's spectacular tourist performance will not always remain the same. The most optimistic think that the rise in the number of tourists will range between zero and 5 percent. This year's rate of increase broke all records: over 50 million visitors, who left 2 billion pesetas.

In the view of 84.2 percent, between now and 1993 the peseta will depreciate with respect to the EEC currencies. According to 78.9 percent of those polled, starting in that year, the peseta will maintain its price quotation. No one believes that it will be revalued vis-a-vis the Community currencies.

All those polled claim that Spain should enter the European Monetary System, but only half favor this occurring before 1993.

All are very much agreed on the belief that, between now and the year 2000, other non-banking financial intermediaries, such as money market broker firms, money funds, pension funds, and others, will increase their share of funds attracted from savers. This will also be done by insurance companies, savings funds, and the Postal Fund. Clients will be seeking greater speed, higher income return, and fiscal security.

(1) EL PARO, PRINCIPAL PROBLEMA
Problemas económicos, por orden de importancia, que tendrá España en el año 2000 (2)
1. Paro. (3) 2. Déficit público. (4) 3. Inflación. (5) 4. La competitividad frente al exterior. (6) 5. Reforma de la Seguridad Social. (7) 6. Integración en la CEE. (8) 7. El logro de una mayor calidad de vida. (9) 8. La financiación de las autonomías. (10) 9. La formación profesional. (11) 10. Desigualdad en la distribución de la renta. (12) 11. Los elevados salarios reales. (13) 12. El escaso desarrollo tecnológico. (14)

Key to Table 1:

1. Unemployment, Main Problem
2. Economic problems, in order of importance, that Spain will have in the year 2000
3. Unemployment
4. Public deficit
5. Inflation
6. Foreign competition
7. Social Security reform
8. Integration into the EEC
9. Attainment of better quality of life
10. Financing of the autonomous regions
11. Occupational training
12. Inequality in income distribution
13. High real wages
14. Meager technological development

Key to Table 2:

- |                     |   |
|---------------------|---|
| 1. Consumer Society | 5. From 2% to 4%  |
| 2. Under -2%        | 6. Above 4%   |
| 3. From -2% to 0%   | 7. Percentage of answers given to each growth bracket anticipated |
| 4. From 0% to 2%    |   |



### (1) SOCIEDAD CONSUMISTA

	(2) Debajo del -2%	(3) Del -2% al 0%	(4) Del 0% al 2%	(5) Del 2% al 4%	(6) Superior al 4%
1987-1990 (*)	0	0	15,8	84,2	0
1991-1995	0	0	5,6	94,4	0
1996-2000	0	0	27,8	55,5	16,7

(\*) Porcentaje de respuestas adjudicadas a cada tramo de crecimiento previsto. (7)

### (1) FUERTE CRECIMIENTO DE LA INVERSION

	(2) Debajo del -2%	(3) Del -2% al 0%	(4) Del 0% al 5%	(5) Del 5% al 8%	(6) Superior al 8%
1987-1990 (*)	0	0	15,8	68,4	15,8
1991-1995	0	5,3	36,8	47,3	10,5
1996-2000	0	0	57,9	36,8	5,3

(\*) Porcentaje de respuestas adjudicadas a cada tramo de crecimiento previsto. (7)

Key to Table 3:

1. Strong Investment Growth
2. Under -2%
3. From -2% to 0%
4. From 0% to 5%
5. From 5% to 8%
6. Above 8%
7. Percentage of answers given to each growth bracket anticipated

### CRECIMIENTO DE LA ECONOMIA: EN ASCENSO

(1)	(2) Crecimiento previsto (%)	(3) Debajo del -2%	(4) Del -2% al 0%	(5) Del 0% al 2%	(6) Del 2% al 4%	(7) Superior al 4%
1987-1990 (*)		0	5,6	5,6	83,3	5,6
1991-1995		0	5,6	5,6	77,8	11,0
1996-2000		0	0	22,2	72,2	5,6

(\*) Porcentaje de respuestas adjudicadas a cada tramo de crecimiento previsto. (8)

Key to Table 4:

1. Growth in the Economy: Rising
2. Anticipated growth (%)
3. Under -2%
4. From -2% to 0%
5. From 0% to 2%
6. From 2% to 4%
7. Above 4%
8. Percentage of answers given to each growth bracket anticipated

### EL AHORRO TODAVIA SERA PEQUEÑO (En %) (1)

	1990	1995	2000
Menos del 18% (2)	10,5	0	0
Entre el 18% y el 22% (3)	42,1	52,6	63,2
Más del 22% y hasta el 26% (4)	47,4	42,6	31,6
Superior al 26% (5)	0	5,3	5,3

Key to Table 5:

1. Savings Will Still Be Small (in %)
2. Under 18%
3. Between 18% and 22%
4. Over 22% and up to 26%
5. Above 26%

### (1) MAS EMPLEO (En %)

	1986-90	1991-95	1996-2000
Disminuirá (2)	0	0	0
Permanecerá estancado (3)	5,6	0	11,2
Aumentará hasta el 2% anual (4)	83,2	88,8	66,4
Aumentará más del 2% anual (5)	11,2	11,2	22,4

Key to Table 6:

1. More Employment (in %)
2. Will decline
3. Will remain stagnant
4. Will increase up to 2% annually
5. Will increase over 2% annually

(1) **LA INFLACION SE MANTENDRA BAJA (En %)**

(2) Nivel de inflación	1988-90	1991-95	1996-2000
Superior al 10% (3)	0	0	0
Entre el 5% y el 10% (4)	42,1	31,6	10,6
Entre el 3% y el 5% (5)	52,6	31,6	10,6
Menos del 3% (6)	5,3	15,8	10,6

Key to Table 7:

1. Inflation Will Remain Low (in %)
2. Inflation level
3. Above 10%
4. Between 5% and 10%
5. Between 3% and 5%
6. Under 3%

**SALARIOS POR ENCIMA DE LOS PRECIOS (En %)**

(1) (2) Salario real	1988-90	1991-95	1996-2000
Superior al 2% (3)	5,3	10,5	15,8
Más del 0% y menos del 2% (4)	68,4	68,4	52,6
Estancado (5)	26,3	15,8	15,8
Negativo (6)	0	5,3	15,8

Key to Table 8:

1. Wages Above Prices (in %)
2. Real wages
3. Above 2%
4. Over 0% and under 2%
5. Stagnant
6. Negative

**DEFICIT FISCAL: CASI TODO SEGUIRA IGUAL (En %)**

(1)	1990	1995	2000
Subirá por encima del 5% (2)	15,8	0	0
Se mantendrá en torno al 5% (3)	36,8	26,1	26,1
Bajará entre el 0% y el 5% (4)	47,4	73,9	68,6
Se tomará en superávit (5)			5,3

Key to Table 9:

1. Fiscal Deficit: Will Remain Almost All the Same (in %)
2. Will rise above 5%
3. Will remain about 5%
4. Will drop between 0% and 5%
5. Will become a surplus

**LIGERO AUMENTO DE LOS IMPUESTOS (En %)**

(1) (2) Presión fiscal	1988-90	1991-95	1996-2000
Se mantendrá en el 35% (3)	36,8	21,1	21,1
Disminuirá por debajo del 35% (4)	5,3	31,6	31,6
Aumentará más del 35% y hasta el 40% (5)	57,9	42,0	31,6
Aumentará por encima del 40% (6)	0	5,3	15,7

Key to Table 10:

1. Slight Rise in Taxes (in %)
2. Tax pressure
3. Will remain at 35%
4. Will drop under 35%
5. Will increase over 35% and up to 40%
6. Will increase above 40%

(1) EL PROGRESO, POR AUTONOMIAS				
Porcentaje mayoritario de respuestas señalado con a(2)				
(3) Comunidad autónoma	En re- troceso	Estan- cada	Dinámica	Muy dinámica
	(4)	(5)	(6)	(7)
Andalucía				
Aragón			•	
Asturias		•		
Baleares				•
Castilla-La Mancha	•			
Castilla-León		•		
Canarias			•	
Cataluña				•
Extremadura	•			
Galicia		•		
Madrid				•
Murcia				•
Navarra			•	
País Vasco (8)		•		
La Rioja			•	
Santander		•		
Valencia				•

Key to Table 11:

1. Progress, Based on Autonomous Regions
2. Majority percentage of answers indicated with
3. Autonomous community
4. In decline
5. Stagnant
6. Dynamic
7. Very dynamic
8. Basque Country

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## NEW EC MARKET ATTRACTING INCREASED ATTENTION FROM FIRMS

Stockholm DAGENS NYHETER in Swedish 2 Nov 87 p 14

[Article by Bo A. Ericsson]

[Text] Brussels. An increasing number of roads now lead from Sweden to Brussels, the capital of the European Community. One delegation hardly comes back before the next one arrives. One after the other, they have gone there lately: the Association of Wholesale Dealers, the Union of Factory Workers, the management of the Saab Scania concern, parliamentarians, the Management Group, the ICA leadership, etc.

The flow of visitors illustrates the current increasingly intensive activities on the part of Swedish interests in an effort to create a network of contacts and channels of information within the EC before the "big step," the super-market involving a free flow of goods and services, people and capital, across the borders, to be arranged by the EC countries by the year 1992.

#### Many Plans

In order to avoid being left out of this gigantic market, Sweden is now taking action at various levels--ranging from the government level to the business sector.

1. Contacts at the ministerial level between EC countries and countries which are members of the EFTA (the free trade area to which Sweden belongs). The political basis is the Luxembourg declaration of 1984 for increased cooperation with a view to achieving a joint West European domestic market.
2. Bilateral negotiations and contacts between Sweden and the EC Commission involving, among other things, visits in either direction of ministers and commissioners. Next month, for example, Minister of Trade Anita Gradin is likely to visit Brussels again. At the same time, EC people will be visiting Stockholm from time to time with a view to providing information on the community. A week ago, a delegation from the European Parliament visited Sweden. At this level there are also several joint groups of experts from Sweden and the EC Commission in areas such as work environment, consumer issues and transport.

3. Discussions within the so-called group of high-level officials. It is composed of top-level officials from the EC Commission and the various EFTA countries, and they meet twice a year to concretize and expedite the Luxembourg declaration.

4. Negotiations or exploratory discussions in a total of well over 20 different working groups. These are composed of experts from the EC Commission on the one hand and the EFTA countries on the other and are a result of the activities of the high-level officials. Among the areas discussed are customs documents, purchases by public authorities, export restrictions, environmental issues, research, financial services, etc. Swedish representatives participate in all of the groups.

5. Day-to-day contacts in particularly sensitive industrial sectors, such as steel and paper.

6. Study visits by organizations, parliamentarians, etc. The entire leadership of LRF [the Federation of Swedish Farmers] will, for example, visit Brussels shortly, presumably to look more closely into the agricultural policy pursued by the EC.

7. Industrial and business contacts--among other things, within and via UNICE, which is the coordinating body of the European federations of industries and employers' associations, and which has its headquarters in Brussels.

It now appears that Swedish concerns travel to Brussels with their entire managements to conduct seminars on the EC. Carl Reinhold Tersmeden, who is the chief of the Swedish UNICE representation in Brussels talks about a sharply increased Swedish interest.

8. Trade union contacts--these take place largely via the European Trade Union Confederation, ETUC, which has its headquarters in Brussels. The Federation of Swedish Trade Unions and the Swedish Central Organization of Salaried Employees, TCO, are members of the European Trade Union Confederation. The head of the Federation of Swedish Trade Unions, Stig Malm, is a member of the board of directors, with Rune Molin as his alternate. The European Trade Union Confederation and the EC Commission today have a number of joint working groups. At the same time, a so-called social dialogue has been carried on for a number of years within the EC between the European Trade Union Confederation, the employers' associations in UNICE and the EC Commission.

9. The Swedish EC delegation, the "embassy" that was set up specially with a view to following developments within the European Community is like a spider in this entire network. The Swedish EC delegation is today several times larger than the "regular" embassy in Brussels and is one of the few Swedish representations abroad that are growing in size. The head is Ambassador Stig Brattström. The delegation has day-to-day contacts with the EC Commission and continual consultations with the delegations of the other EFTA countries at the EC.



## Denmark, the Bridge

In addition, there are day-to-day contacts on the EC issue among the Nordic countries--where Denmark is the bridge to the EC--and among the EFTA countries. Among these, Switzerland, Austria and Finland have the same reservations as Sweden with respect to full membership: the neutrality issue.

Today 50 percent of Swedish exports go to the EC countries, so there is much at stake in the efforts to gain a foothold within the planned large-scale market. It is true that there are several indications that it will not be ready by 1992--the problems are large and there are many to participate in the decision-making process--but as they say here, "the wagon is moving relentlessly."

## Not Right Time

Is it time to appoint a Swedish chief negotiator to open the door to the Swedish EC endeavors? That idea is advanced by former Under Secretary of State for Foreign Affairs Sverker Åström--who is visiting Brussels these days to discuss the question of Sweden in the EC and the neutrality issue. However, others claim that the time has not yet come for this.

The reaction among the EC countries with respect to the efforts of Sweden and the other EFTA countries to avoid being left out of the planned large-scale market is described as mixed.

Within the Swedish foreign ministry leadership it is said that, in addition to Denmark, Sweden's best friend in this context is West Germany. The Netherlands, too, belongs among the sympathetic EC countries.

## Three Principles

Roughly the same evaluations are made in industrial circles. Nations which, according to evaluations in Brussels, are not quite as enthusiastic are France, Italy and Belgium.

It has been stressed by the EC that the creation of the new, internal market is in no way intended to involve new external trade obstacles. But, at the same time, there are three principles which they are not prepared to change:

1. The integration within the EC will have to take priority above everything else.
2. The independence of the EC in its decision-making process will have to be retained.
3. A balance will have to be found between advantages and liabilities.

In plain language, this may be paraphrased as follows: First we, then you.

### Provides Insight

Strangely enough there are two very powerful bodies in Sweden today which actually are already some kind of members of the EC. They are the labor market parties.

This is the way it is:

The Swedish Employers' Association and the Swedish Federation of Industries have been full members of UNICE for the last 18 months. In addition, the Swedish Federation of Trade Unions and the Swedish Central Organization of Salaried Employees have been members of the European Trade Union Confederation for several years. Both of these bodies, UNICE and the European Trade Union Confederation, are today fully valid advisory bodies within the EC machinery. That ought to provide no mean insight.

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CSO: 36500025

## LARGE-SCALE POLL ON NATIONAL BEHAVIOR, EDUCATION, PRACTICES

35480021 Madrid CAMBIO 16 in Spanish 26 Oct 87 pp 126-137

[Article by Almudena Diez: "X-Ray of the Change"]

[Text] Spain, the eighth-ranking industrial power in the entire West, has 3 million unemployed, the highest percentage of all industrialized countries. Spaniards with a minimum wage earn 1,045 pesetas per day and, this year, the taxpayers combined will pay 6.7 billion pesetas in taxes, 5 billion pesetas more than 10 years ago.

A total of 33 percent of Spaniards have never used any contraceptive method in their lives; 52 percent have used them with good results; and 14 percent of couples have "failed" in using them.

The favorite method in sexual relations to prevent an increase in new little Spaniards is "withdrawal," the common designation for "coitus interruptus." It is followed in preference by the pill and the condom, and the number of men who have opted for sterilization is almost negligible.

The urban families in this country spend most of their money on food and drink, but they are spending nearly half of what they did a decade ago. The food quality is better, and people's weight and height have increased by 2 kilograms and 2 centimeters; thereby bringing them closer to other Europeans.

Men and women die too often of heart attacks; and fewer, from diseases of the respiratory system or malignant tumors. Soon, the death rate from traffic accidents will be as large as from natural causes. Such is the status of Spaniards.

#### We Number Few

Spain, with its 40 million inhabitants, is the fifth most heavily populated country in Western Europe, following the Federal Republic of Germany, with 70 million, Italy, Great Britain, and France.

This is a significant fact if one considers that, in the Western context, the countries' economic potential is determined by their population size; or, more

precisely, by the number of inhabitants likely to be incorporated into the production process. If there are more working, the greater the economic power of each country will be. This is a country which also has another advantage: its large geographical area (504,750 square kilometers); making its index of demographic density (76 inhabitants per square kilometer) one of the lowest in the European Community. Unlike the situation in other countries, the geographical size does not entail a limit on its population growth.

But the Spanish population does not have a homogeneous distribution. Contrasting with the excessive crowding in a small number of urban areas such as Madrid, Barcelona, Bilbao, Valencia, or Sevilla, there are virtually unpopulated areas, especially in the two Castillas, Extremadura, and Aragon, where there are only about 30 inhabitants per square kilometer; whereas in Madrid, 500 persons are huddled in the same space.

During the 1950's there was a great rise in the birth rate, as a result of which Spain currently enjoys a relatively young population (42 percent of Spaniards are between 20 and 50 years old), willing to work, although 3 million youths have no opportunity to prove it.

Perhaps because of the excessive number of young people without jobs, a result of the 1950's "baby boom," this year there have been more strikes than ever: 2,194 thus far this year, with nearly 3 million workers involved, and over 73 million work hours lost.

Those who are working are grouped primarily in the services, commerce, and hotel and restaurant area, sectors which employ over 5 million workers (distributed equally). They are followed by the almost 2 million farmers and fishermen and, in third place, those who prefer the manufacturing industry.

All of them have succeeded in making the gross domestic product (GDP), a figure reflecting a country's economic growth, rise 100 percent since the beginning of the decade. It rose from 14 billion in 1980 to nearly 30 billion in 1986. Nevertheless, the increase cannot be considered completely satisfactory, among other reasons, because the national demand still exceeds the production level, and is increasing at a greater speed. To give an example, although the GDP increased by 3 percent during the last fiscal year, compared with 1985, the demand rate has done so by 5.7 percent. This proves that Spain is still resorting to the external supply to satisfy Spaniards' consuming impulses.

#### Larger

Food plays a leading role in the area of imports. Of the nearly 5 billion pesetas spent last year on the purchase of products from abroad, 600 million went to satisfy the hunger of Spaniards. The average weight of the Spaniard has increased by 2 kilograms during the past 10 years (the average is now 67 kilograms), owing to his increased height and the fact that the diet that he consumes provides him with more calories than necessary. For Spaniards, eating at home represents an expense for their purse not far from 100,000 pesetas per year.

Obviously, many are more concerned about keeping their stomachs full than about a bomb-proof health. According to the Poll on Family Budgets, about 45 percent of a family's spending is for food and drink, and only 2 percent for medical services. Next year, the state plans to allocate 1.3 billion pesetas for health assistance, through Social Security, so that sick people may be properly treated; although this is not always the case, and the waiting lists for office visits and public hospitals have already become notorious. This is logical, when there are 540 beds and 180 physicians for every 100,000 inhabitants, one of the lowest figures in the European Community.

The number of hospitals is also insufficient. Spain does not have as many as 1,000 hospitals, and only 150 of them are public. Hence, it is not surprising that, at this point in the 20th century, people are still dying of typhus. Spaniards spend only percent of their annual wages on doctors.

And what they save on medical care they spend on gambling. During recent years, there has been an explosion in the gambling world. Since 1979, when the latter was legalized in Spain, 19 casinos have been built, 718 bingo halls have been established, and 523,800 slot machines have been manufactured, with a total gambling volume of over 600 million pesetas per year, not counting the traditional punts, raffles, and national lottery. The collections that the treasury has made as a result of the many gamblers have exceeded 150 million pesetas; in addition to saving from real unemployment 100,000 Spaniards who are working in this subsector directly or indirectly.

In view of these figures, it may appear that salaries in Spain are like those of tycoons; and that is not true. Although the minimum wage has doubled during the past 10 years, rising from 500 to 1,045 pesetas per day, there are many families tightening their belts to reach the end of the month; and many of them lack the means to pay for heat or hot water in their homes, not because they are giving it away, but rather because they lack such services.

Nearly 50 percent of the dwellings have no heat, and 20 percent have it because the people have decided to stop being cold and to purchase individual radiators. The heaters installed in 70 percent of the households of those wishing to see the hot water faucet operating are also individual.

#### Better To Be University Graduates

It also appears obvious that, in order to live without poverty, one must first attend the university. At the end of the month, those with higher degrees collect an envelope twice as fat as that of technicians, and up to 20 times larger than that of an apprentice. It is these university graduates (2.5 percent of the Spanish population) who are living in apartments measuring over 130 square meters and, besides hot water and central heating, they can afford a second or even a third car in some instances, as well as a second home and vacations abroad.



This is something that has not gone unnoticed by today's youth, and there are increasing numbers of students enrolling in university educational centers. During this term, nearly 900,000 students will be marching through the Spanish university departments. Most of them have opted for philosophy and literature, law, EGB [General Basic Educational System] teaching, economic and business sciences, and medicine. These five career courses account for 45 percent of university students. The rest are distributed among 51 other options.

There are also some who are satisfied to complete the compulsory period, and who leave school upon reaching age 16. Including university students, pre-school pupils, EGB, BUP and COU [Preparatory School Systems] students and students in professional training, intermediate school students (social assistants, agrarian recruits, and graduates in social studies, tourism, and languages), as well as those taking art instruction (applied arts, artistic trades, ceramics, music, dramatic art, and dance), there is a total exceeding 8 million students.

During the periods when they stop studying, or their parents stop working, they spend their time reading (in Spain, an average of 35,000 titles per year are published), or going to the movies to see foreign films in particular. Of the 115,000 spectators who purchased orchestra or mezzanine tickets last year, 90,000 chose to pay to see an American, Italian, British, or French production, and left over 20 million pesetas in movie ticket offices.

The Spaniard is very fond of trips abroad, especially when the summer months arrive, and he spends his vacations learning about new and different countries. Over half the Spanish population crosses the Spanish borders every year. But, while many go, many more arrive. We must not forget that one of the main revenues in this country's current account balance comes from the foreign currency left by tourists one summer after another. Last year, 1.5 billion pesetas entered the Spanish coffers, and this year the amount is expected to reach 2 billion.

However, what enters on the one side, goes out on the other. For example, everything that Spain accrues thanks to its climate and the open nature of its people is lost through the payment for imports of agricultural and food products, minerals, and industrial products; so that, over the past year, the trade deficit rose to 1 billion pesetas, despite the decline in the dollar and in crude oil prices. This is due to the fact that, in this country, there are many products which prove cheaper to purchase abroad than to produce at home; causing the dependence on other countries to become increasingly greater. The most penetration of foreign products has been concentrated on machinery, for replacements in the transportation equipment companies, chemical products, animals, their by-products, and optical instruments, as well as certain metals, primarily iron and steel.

Furthermore, Spain's entry into the European Economic Community (EEC) requires an effort on the part of business owners, not only to improve the quality of the products, but also so as to be able to cut prices to a level equivalent to that in the other countries grouped together in the European market.

The Spanish market, owing to its high number of potential consumers, is one of the most attractive to the leading European business owners. This is proven by the increasingly greater presence of multinationals in the country. The largest share of this pie is consumed by the automobile companies, with a sales volume of no less than 100 million pesetas each.

A total of 33 percent of these car sale receipts end up in the treasury's hands, thanks to the European value added tax (VAT). Through this and other direct and indirect taxes, this year Spaniards have paid 53.2 percent more than in 1977. From the income tax for individuals alone, the treasury has pocketed a sum exceeding 2 billion pesetas.

### Apartments

Building, purchasing, and selling apartments is the fashionable business, for various reasons. Construction is one of the sectors that may be considered a major participant in the progress of the Spanish economy, because of its substantial contribution to the GDP (2 billion pesetas), and the people that it employs (900,000 workers). During the last fiscal year, 200,000 new dwellings were built; and, thus far this year, another 300,000 have been started.

The increase in population, larger number of marriages, and purchase of second dwellings are factors to ensure builders a clientele; as well as the poor quality of the apartments built during the developmental period, causing them to age rapidly.

Speculation on urban land has also increased. The experts claim that the price of urban dwellings was relatively low up until recent years, and has now shot up to the point of equalling the European average; whereas the salaries of Spaniards have not followed it in this race toward Europe, and they are still among the lowest, with the exception of those in Portugal and Greece. Purchasing power has not been very thriving either, exceeding only that of Ireland, Greece, and Portugal, the poor nations of the Economic Community.

The ones who are not poor by a long shot are the Spanish banks. Behind the combinations to their safes, there are banknotes totaling 16 billion pesetas accumulated. The seven greats (Central, Banesto, Vizcaya, Hispano, Bilbao, Santander, and Popular) hold the largest share, that is to say, 14 billion. The rest is distributed among eight other groups.

### Key to Table 1:

- |   |   |
|---|---|
| 1. Spain in the World                     | 10. Gross industrial product (development level) 1,000 millionths of a \$, 1986 |
| 2. Employment                             | 11. Degree of consumption in relation to GDP (%) 1986                           |
| 3. Area (1,000s of km <sup>3</sup> ) 1986 | 12. Inflation (%) 1986  |
| 4. Population (1,000s) 1986               | 13. Spain   |
| 5. Active population (1,000s) 1984        | 14. Ireland   |
| 6. Employed population (1,000s) 1984      | 15. Italy   |
| 7. Unemployment rate (%) 1984             | 16. New Zealand   |
| 8. Gross domestic product (GDP) 1984      |   |
| 9. GDP per capita (\$) 1986               |   |

- |                     |                   |
|---------------------|-------------------|
| 17. Belgium         | 23. Germany       |
| 18. Great Britain   | 24. Denmark       |
| 19. Austria         | 25. Japan         |
| 20. The Netherlands | 26. Sweden        |
| 21. France          | 27. Norway        |
| 22. Finland         | 28. United States |

(1) ESPAÑA EN EL MUNDO										
	Superficie (miles/km <sup>2</sup> ) 1986 (3)	Población (miles) 1986 (4)	(2) EMPLEO			Producto Nacional Bruto (PNB) (mill. \$) 1986 (8)	PNB per cápita (\$) 1986 (9)	Producto Industrial Bruto (nivel de desarrollo) mil. mil. \$ 1986 (10)	Grado de consumo en relación al PNB (%) 1986 (11)	Inflación (%) 1986 (12)
			(5) Población Activa (miles) 1984	(6) Población ocupada (miles) 1984	(7) Tasa de paro (%) 1984					
España (13)	504,8	38.850	13.675	10.382	20,1	186.690	4.810	53	66,8	8,2
Irlanda (14)	70,3	3.582	1.314	1.096	15,5	18.900	5.280	5,7	58,1	3,2
Italia (15)	301,2	57.162	23.414	20.422	10,2	413.860	7.240	143	62,2	4,7
Nueva Zelanda (16)	268,7	3.274	1.371	1.281	5,7	23.110	7.060	6,9	56,4	18,2
Bélgica (17)	30,5	9.859	4.214	3.579	14,0	91.750	9.310	26	65,1	0,6
Inglaterra (18)	244,8	56.563	27.012	23.657	11,2	502.770	8.890	163	60,7	3,7
Austria (19)	83,9	7.554	3.332	3.201	3,8	76.610	10.140	25	56,8	1,1
Holanda (20)	37,3	14.542	5.896	4.965	14,0	144.430	9.930	40	59,2	-0,1
Francia (21)	547,0	55.418	23.830	20.941	9,7	580.150	10.470	175	64,1	2,1
Australia	7.686,8	15.946	7.180	6.471	8,9	170.070	10.670	51	60,3	9,8
Finlandia (22)	337,0	4.928	2.600	2.404	6,1	59.230	12.020	18	53,5	3,4
Alemania (23)	248,6	60.884	27.612	24.822	8,5	732.120	12.020	232	56,6	-1,1
Dinamarca (24)	43,1	5.109	2.720	2.957	8,5	63.460	12.420	18	54,0	4,3
Japón (25)	372,3	121.318	59.271	57.660	2,7	1.557.720	12.840	541	59,0	-0,2
Suecia (26)	450,0	8.349	4.391	4.255	3,1	110.120	13.190	30	51,1	3,3
Canadá	9.976,1	25.623	12.474	11.000	11,2	351.800	13.730	104	56,4	4,2
Noruega (27)	324,2	4.162	2.031	1.970	3,0	63.580	15.280	24	46,6	8,9†
Estados Unidos (28)	9.372,6	241.148	115.241	105.005	7,4	4.208.400	17.450	1.251	64,8	1,1†

Key to Table 2:

- |                              |                                       |
|------------------------------|---------------------------------------|
| 1. Who We Are                | 10. 15 to 24                          |
| 2. Population by age         | 11. 25 to 34                          |
| 3. Age                       | 12. 35 to 44                          |
| 4. Absolute figures (1,000s) | 13. 45 to 54                          |
| 5. So many percent           | 14. 55 to 64                          |
| 6. Males                     | 15. 65 and over                       |
| 7. Under age 5               | 16. Females                           |
| 8. 5 to 9 years              | 17. Source: Statistical Yearbook, INE |
| 9. 10 to 14                  | [National Statistics Institute]/1986  |

(1) LOS QUE SOMOS		
(2) Población por edades (5)		
(3) Edad (4)	Cifras absolutas (miles)	Tantos por ciento
VARONES (6)		
Menores 5 años (7)	1.583,9	8,5
5 a 9 años (8)	1.703	9,2
10 a 14 (9)	1.695,5	9,1
15 a 24 (10)	3.146,3	17
25 a 34 (11)	1.509,8	13,5
35 a 44 (12)	2.144,2	11,6
45 a 54 (13)	2.276,5	12,3
55 a 64 (14)	1.707,7	9,2
65 y más (15)	1.723,9	9,3
MUJERES (16)		
Menores 5 años (7)	1.491,5	7,7
5 a 9 años (8)	1.604,1	8,3
10 a 14 (9)	1.606,8	8,3
15 a 24 (10)	3.059,2	15,9
25 a 34 (11)	2.483	12,9
35 a 44 (12)	2.157,6	11,2
45 a 54 (13)	2.349,8	12,2
55 a 64 (14)	1.926,8	10
65 y más (15)	2.512,8	13,1
(17)		
Fuente: Anuario Estadístico INE/1986.		

Key to Table 3:

- |                                       |   |
|---------------------------------------|---|
| 1. How Spaniards Die                  | 11. Diseases of the respiratory system            |
| 2. Fatal diseases                     | 12. Accidents                                     |
| 3. Disease                            | 13. Typhus  |
| 4. Men                                | 14. Measles                                       |
| 5. Women                              | 15. Syphilis                                      |
| 6. Tumors                             | 16. Mental disorders                              |
| 7. Diseases of the circulatory system | 17. Diseases of the nervous system and the senses |
| 8. Infarction                         | 18. Congenital trauma                             |
| 9. Cardiovascular diseases            | 19. General population movement 1980              |
| 10. Arteriosclerosis                  |   |

Key to Table 4:

- |                                     |  |
|-------------------------------------|--|
| 1. Living Together                  | 6. Single                                  |
| 2. Spaniards and their civil status | 7. Married                                 |
| 3. Civil status                     | 8. Widowed                                 |
| 4. Absolute figures (1,000s)        | 9. Separated                               |
| 5. So many percent                  | 10. Source: Statistical Yearbook, INE/1986 |

(1) ASI MUEREN LOS ESPAÑOLES			
(2) Enfermedades mortales			
Enfermedad (3)	Total	Hombres (4)	Mujeres (5)
Tumores (6)	58.431	24.382	34.049
Enfermedades del aparato circulatorio (7)	132.613	70.084	62.529
Infarto (8)	20.476	6.702	13.714
Enfermedades cardiovasculares (9)	47.480	27.175	20.305
Arteriosclerosis (10)	13.297	8.104	5.193
Enfermedades del aparato respiratorio (11)	26.766	11.382	15.384
Accidentes (12)	15.466	4.569	10.895
Tifus (13)	17	8	9
Tuberculosis (14)	1.469	1.099	370
Sarampión (15)	32	20	12
Sífilis (16)	117	68	49
Trastornos mentales (17)	900	525	375
Enfermedades del sistema nervioso y los sentidos (18)	3.406	1.787	1.619
Traumatismos congénitos (19)	240	157	83
Movimiento general de población 1980. (19)			

(1) VIVIR EN PAREJA			
(2) Los españoles y su estado civil			
Estado civil (3)	Cifras absolutas (miles) (4)	Tantos por ciento (5)	1977 (%)
Solteros (6)	17.745,8	47,09	49,84
Casados (7)	17.443,7	46,29	44
Viudos (8)	2.252,7	2,37	6
Separados (9)	241,1	0,64	0,1
Fuente: Anuario Estadístico INE/1986. (10)			

Key to Table 5:

- |   |                          |
|---|--------------------------|
| 1. Spaniards and Sex                              | 15. Abstinence           |
| 2. Use of contraceptive methods                   | 16. Diaphragm            |
| 3. Civil status                                   | 17. Condom               |
| 4. Single   | 18. Rhythm (Ogino)       |
| 5. Married  | 19. Male withdrawal      |
| 6. Widowed  | 20. Vaginal douche       |
| 7. Legally separated                              | 21. Contraceptive creams |
| 8. Divorced or annulled                           | 22. Prolonged lactation  |
| 9. Used no method                                 | 23. Injection            |
| 10. Used some ineffective but no effective method | 24. Pill next day        |
| 11. Used some effective method                    | 25. Female sterilization |
| 12. Methods used                                  | 26. Male sterilization   |
| 13. Pill  | 27. Other methods        |
| 14. IUD   |                          |



(1) LOS ESPAÑOLES Y EL SEXO						
Utilización de métodos anticonceptivos (2)	(3) ESTADO CIVIL					
	Total	(4) Solteras	(5) Casadas	(6) Viudas	(7) Separadas de derecho	(8) Divorciadas o anulad.
<b>TOTAL</b>	100,00	100,00	100,00	100,00	100,00	100,00
No ha utilizado ningún método (9)	33,46	76,97	16,03	43,49	24,48	21,62
Ha utilizado algún método ineficaz, pero ninguno eficaz (10)	14,03	3,18	18,23	25,76	9,66	—
Ha utilizado algún método eficaz (11)	52,51	19,85	65,74	30,75	65,87	78,38
<b>MÉTODOS UTILIZADOS: (12)</b>						
Píldora (13)	33,14	11,14	41,94	19,09	42,53	72,38
DIU (14)	6,44	0,67	8,58	7,25	21,69	14,19
Abstinencia (15)	6,38	0,18	8,71	7,41	16,58	17,67
Diaphragma (16)	0,71	0,57	0,71	2,82	0,00	5,06
Preservativo (17)	31,88	13,78	39,13	21,28	41,05	56,14
Ritmo (Ogino) (18)	15,74	3,28	20,72	12,48	18,76	23,12
Retiro del hombre (19)	38,09	10,03	49,44	31,46	39,63	27,59
Lavado vaginal (20)	3,04	1,29	3,75	1,36	5,88	3,18
Cremas anticonceptivas (21)	4,05	1,88	4,79	7,23	11,89	7,76
Lactancia prolongada (22)	1,84	0,08	2,57	1,60	0,00	0,00
Inyección (23)	2,65	0,31	3,52	2,20	11,16	6,06
Píldora día siguiente (24)	0,28	0,34	0,26	0,00	0,41	0,00
Esterilización femenina (25)	2,03	0,04	2,86	0,00	2,07	1,64
Esterilización masculina (26)	0,21	0,00	0,30	0,00	0,00	0,00
Otros métodos (27)	0,21	0,16	0,23	0,00	0,00	0,00

(1) ALUMNOS MATRICULADOS EN CENTROS DE EDUCACION UNIVERSITARIA									
(2) UNIVERSIDADES	(3) CURSO 1985-86								
	(4)		(5)						
	Facultades y Colegios Universitarios	Escuelas Técnicas Superiores	(6) Arquitectura e Ingeniería Técnica	(7) Profesorado de IGB	(8) Estudios Empresariales	(9) Informática	(10) Trabajo Social	(11) Otras Escuelas Universitarias	(12) Total
<b>TOTAL</b>	577.578	52.513	64.022	75.996	45.274	17.400	6.273	16.067	225.032
UNIVERSIDADES PÚBLICAS (13)	553.483	50.147	63.009	75.666	45.274	16.613	6.047	16.067	222.676
UNIVERSIDADES PRIVADAS (14)	24.095	2.366	1.013	330	—	787	226	—	2.356
Comillas-Pontificia (15)	3.922	696	458	—	—	—	226	—	684
Deusto	11.803	—	—	—	—	—	—	—	—
Navarra (16)	7.048	1.670	555	—	—	545	—	—	1.100
Salamanca-Pontificia	1.322	—	—	330	—	242	—	—	572

Key to Table 6:

- |  |                              |
|--|------------------------------|
| 1. Students Enrolled in University Education Centers | 9. Business courses          |
| 2. Universities                                      | 10. Nursing                  |
| 3. 1985-86 term                                      | 11. Social work              |
| 4. University departments and colleges               | 12. Other university schools |
| 5. Superior technical schools                        | 13. Public universities      |
| 6. Architecture and technical engineering            | 14. Private universities     |
| 7. EGB teaching                                      | 15. Comillas Pontifical      |
| 8. University schools                                | 16. Salamanca Pontifical     |

(1) PREPARARSE PARA EL FUTURO		
(2) Niveles de enseñanza de la población española		
	1974-75	1983-84
PREESCOLAR: (3)		
Centros públicos (4)	322.685	699.943
- Varones (5)	168.474	369.665
- Mujeres (6)	154.211	330.278
Centros privados (7)	530.637	475.119
- Varones (5)	247.668	219.411
- Mujeres (6)	282.969	251.698
TOTAL	853.322	1.171.062
EGB: (7)		
Alumnos matriculados (8)	5.633.009	
Centros públicos (4)	3.597.190	
- Varones (5)	1.928.746	
- Mujeres (6)	1.668.444	
Centros privados (7)	2.035.819	
- Varones (5)	972.020	
- Mujeres (6)	1.063.799	
Alumnos que terminaron la escolaridad: (9)		
Título graduado escolar (10)	483.868	
- Varones (5)	225.554	
- Mujeres (6)	238.314	
Certificado escolaridad (11)	217.779	
- Varones (5)	118.039	
- Mujeres (6)	99.740	

Key to Table 7:

- |  |                                   |
|--|-----------------------------------|
| 1. Preparation for the Future              | 6. Females                        |
| 2. Spanish population's educational levels | 7. Private centers                |
| 3. Pre-school                              | 8. Students enrolled              |
| 4. Public centers                          | 9. Students who finished school   |
| 5. Males                                   | 10. Graduated with school diploma |
| 6. Females                                 | 11. School certification          |

(1) PREVENIR Y CURAR	
(2) (Profesionales sanitarios colegiados)	
	1984
Médicos (3)	121.362
Odontólogos (4)	4.682
Farmacéuticos (5)	28.748
Veterinarios (6)	8.660
ATS y diplomados (7) en enfermería	142.542
(8) Fuente: Anuario Estadístico INE/1985.	

Key to Table 8:

- |                                    |  |
|------------------------------------|--|
| 1. Preventing and Curing           | 5. Pharmacists                                       |
| 2. Associated health professionals | 6. Veterinarians                                     |
| 3. Physicians                      | 7. ATS [Health Technical Aides] and certified nurses |
| 4. Dentists                        | 8. Source: Statistical Yearbook, INE/1985            |

(1) MEDICOS Y CAMAS			
Sanidad en el mundo (1981, por cada			
(2) 100.000 habitantes) (5)			
Países (3)	(4)	Camas	Médicos
Finlandia (6)		1.525	162
Suecia (7)		1.495	178
Noruega (8)		1.490	185
Luxemburgo (9)		1.245	138
Holanda (10)		1.205	185
URSS (11)		1.205	345
R. F. Alemania (12)		1.160	220
Suiza (13)		1.140	202
Francia (14)		1.120	194
Austria		1.120	234
Japón (15)		1.060	118
Irlanda (16)		980	125
Italia (17)		980	289
Bélgica (18)		905	215
Canadá		865	178
Dinamarca (19)		840	215
Reino Unido (20)		820	132
Grecia (21)		640	236
EE UU (22)		635	168
España (23)		540	180
Portugal (24)		5	148
Fuente: CEE (Oficina de España). (25)			

Key to Table 9:

- |  |                                |
|--|--------------------------------|
| 1. Physicians and Beds                                 | 14. France                     |
| 2. Health in the world (1981, per 100,000 inhabitants) | 15. Japan                      |
| 3. Countries   | 16. Ireland                    |
| 4. Beds  | 17. Italy                      |
| 5. Physicians  | 18. Belgium                    |
| 6. Finland   | 19. Denmark                    |
| 7. Sweden  | 20. United Kingdom             |
| 8. Norway  | 21. Greece                     |
| 9. Luxembourg  | 22. U.S.                       |
| 10. The Netherlands                                    | 23. Spain                      |
| 11. USSR   | 24. Portugal                   |
| 12. Federal Republic of Germany                        | 25. Source: EEC (Spain Office) |
| 13. Switzerland  |                                |

(1) CON TRABAJO		
(2) Población activa (miles)		
	1986	1977
De 16 a 19 años (3)	974,5	1.563
De 20 a 24 años (4)	2.042,1	1.427
De 25 a 54 años (5)	8.817,2	7.923
De 55 y más (6)	1.965,5	2.215
TOTAL	13.799,3	13.129
VARONES: (7)		
De 16 a 19 años (3)	562,1	896
De 20 a 24 años (4)	1.185,6	798
De 25 a 54 años (5)	6.307,6	6.294
De 55 y más (6)	1.477,1	3.383
TOTAL	9.532,5	9.371
MUJERES: (8)		
De 16 a 19 años (3)	412,4	666
De 20 a 24 años (4)	856,4	629
De 25 a 54 años (5)	2.509,6	1.884
De 55 y más (6)	488,4	579
TOTAL	4.266,8	3.753
Fuente: Ministerio de Trabajo y Seguridad Social. (9)		

Key to Table 10:

- |                               |  |
|-------------------------------|--|
| 1. With a Job                 | 6. Aged 55 and over                              |
| 2. Active population (1,000s) | 7. Males   |
| 3. From 16 to 19 years        | 8. Females                                       |
| 4. From 20 to 24 years        | 9. Source: Ministry of Labor and Social Security |
| 5. From 25 to 54 years        |  |

(1) PARADOS (2)	
Distribución del paro (en miles, 1985)	
VARONES (3)	
16 a 19 años (4)	299,5
20 a 24 (5)	449,5
25 a 54 (6)	939,8
55 y más (7)	164,8
MUJERES (8)	
16 a 19 años (4)	238
20 a 24 (5)	387,6
25 a 54 (6)	387
55 y más (7)	23,6
Fuente: Ministerio de Trabajo (9)	

Key to Table 11:

- |   |                      |
|---|----------------------|
| 1. Unemployed                                     | 6. 25 to 54 years    |
| 2. Distribution of unemployment (in 1,000s, 1985) | 7. 55 years and over |
| 3. Males  | 8. Females           |
| 4. 16 to 19 years                                 | 9. Ministry of Labor |
| 5. 20 to 24 years                                 |                      |

(1) LA RENTA FAMILIAR			
(2) Renta familiar disponible (Millones de ptas.)			
(3)	(4)	(5)	
Año 1984	Año 1985	Año 1986	
Sueldos y salarios brutos (6)	11.902.248	13.014.426	14.693.287
Otras rentas de factores (7)	7.518.441	8.444.975	9.659.057
Prestaciones sociales (8)	3.947.505	4.478.416	5.055.584
Transferencias del exterior (9)	153.800	148.330	140.120
RENTA FAMILIAR BRUTA (10)	23.521.994	26.086.147	29.548.148
(-) Cotizaciones sociales (11)	3.591.585	3.992.011	4.412.262
(-) Impuestos directos (12)	1.604.055	1.859.052	2.104.633
RENTA FAMILIAR DISPONIBLE (13)	18.326.374	20.305.084	23.031.253
Consumo privado (14)	16.313.168	17.985.267	20.311.500
Ahorro familiar bruto (15)	2.013.206	2.319.817	2.719.753
Consumo privado a precios de 1984 (16)	16.313.168	16.606.805	17.237.864
Fuente: Contabilidad Nacional de España. INE. Año 1986. (17)			

Key to Table 12:

- |  |                             |
|--|-----------------------------|
| 1. The Family Income                             | 7. Other factor income      |
| 2. Available family income (millions of pesetas) | 8. Social benefits          |
| 3. Year 1984                                     | 9. Transfers from abroad    |
| 4. Year 1985                                     | 10. Gross family income     |
| 5. Year 1986                                     | 11. Social contributions    |
| 6. Gross wages and salaries                      | 12. Direct taxes            |
|  | 13. Available family income |



14. Private consumption  
15. Gross family savings

16. Private consumption at 1984 prices  
17. Source: National Accounting Office of Spain,  
INE, 1986

(1) <b>DONDE SE TRABAJA</b>			
(2) Primer trimestre 1987 (miles de personas) (5)			
(3) Actividad (4)	Hombres	Mujeres	Total
Agricultura y pesca (6)	1.293,6	420,1	1.713,8
Energía y agua (7)	130,7	5,9	136,7
Extracción de minerales no energéticos. Ind. química (8)	353,5	51,9	405,4
Transformación de metales (9)	713,9	66,6	780,5
Industrias manufactureras (10)	924,3	411,8	1.336,1
Construcción (11)	854,7	20,5	875,2
Comercio y hostelería (12)	1.489,9	842,1	2.312
Transporte y comunicaciones (13)	559,4	57,1	616,6
Finanzas y seguros (14)	391,5	117,6	509
Servicios (15)	1.048,5	1.243,1	2.291,6
Fuente: CEOE. (16)			

Key to Table 13:

- |   |  |
|---|--|
| 1. Where They Work                                  | 9. Metal processing  |
| 2. First quarter 1987(1,000s of persons)            | 10. Manufacturing industries                               |
| 3. Activity   | 11. Construction   |
| 4. Men  | 12. Commerce and hotel and restaurant business             |
| 5. Women  | 13. Transportation and communication                       |
| 6. Agriculture and fishing                          | 14. Finance and insurance                                  |
| 7. Energy and water                                 | 15. Services   |
| 8. Non-energy mineral extraction, chemical industry | 16. Source:Spanish Confederation of Business Organizations |

Key to Table 14:

- |  |  |
|--|--|
| 1. Where They Earn the Most                        | 14. Technicians without degrees            |
| 2. Average pay per hour worked (pesetas/day, 1985) | 15. Administrative officials               |
| 3. Chemical industry                               | 16. Administrative aides                   |
| 4. Textile industry                                | 17. Subordinates                           |
| 5. Ship and vehicle construction                   | 18. Blue-collar workers                    |
| 6. Food, beverages, and tobacco                    | 19. Shop chiefs                            |
| 7. Construction                                    | 20. 1st and 2nd class officials            |
| 8. Hotel and restaurant business                   | 21. 3rd class officials                    |
| 9. Financial institutions                          | 22. Laborers                               |
| 10. White-collar workers                           | 23. Apprentices                            |
| 11. With higher degrees                            | 24. Source, Statistical Yearbook, INE/1986 |
| 12. With intermediate degrees                      |  |
| 13. Administrative chiefs                          |  |

(1) ¿DONDE SE GANA MAS?

(2) Retribución media por hora trabajada (ptas./día, 1985)

	Industria química	Industria textil	Construcción de barcos y vehículos	Alimentación, bebidas y tabaco	Construcción	Hostelería	Instituciones financieras
Empleados: (10)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Titulados superiores (11)	1.547	1.188	1.384	1.203	1.288	835	1.858
Titulados medios (12)	1.168	968	1.059	969	898	659	1.637
Jefes administrativos (13)	1.061	848	988	924	792	557	1.176
Técnicos no titulados (14)	889	614	880	785	698	488	907
Oficiales administrativos (15)	685	599	722	613	577	433	868
Auxiliares administrativos (16)	476	448	534	418	454	395	696
Subalternos (17)	538	477	644	535	449	388	683
Operarios: (18)							
Jefes de taller (19)	685	690	848	741	634	528	876
Oficiales de 1.ª y 2.ª (20)	689	482	651	559	495	404	800
Oficiales de 3.ª (21)	605	364	594	484	502	352	701
Peones (22)	488	379	412	388	387	355	582
Aprendices (23)	167	217	205	208	220	225	320

Fuente: Anuario Estadístico INE/1986. (24)

Key to Table 15:

1. Living in Small Space
2. Dwellings based on area (%)
3. Now
4. Up to 50 meters
5. From 51 to 50
6. From 61 to 70
7. From 71 to 80
8. From 81 to 90
9. From 91 to 100
10. From 101 to 110
11. From 111 to 130
12. 131 and over
13. Source: Statistical Yearbook, INE/1986

(1) VIVIR CON FOCO ESPACIO			
(2) Las viviendas según su superficie (%)			
(3)		(4)	
		Ahora	1972
Hasta 50 metros	11		
De 51 a 60 (5)	12,1	39,2	35
De 61 a 70 (6)	16,1		
De 71 a 80 (7)	18		
De 81 a 90 (8)	14,4	48,3	53
De 91 a 100 (9)	11		
De 101 a 110 (10)	4,9		
De 111 a 130 (11)	5,7	12,7	12
De 131 y más (12)	7		
(13)			
Fuente: Anuario Estadístico INE/1986.			

(1) ¿ALQUILER O COMPRA?		
Las viviendas según su régimen de tenencia (%)		
(2)	(3)	
	Ahora	1977
Herencia (4)	14,2	17
Compra nueva (5)	25	30
Compra usada (6) (7)	14,4	
Acceso propiedad nueva	12,8	8
Acceso propiedad usada (8)	2,7	
Alquiler (9)	22,8	29
Cesión gratuita (10)	6,8	7
Otras (11)	1,1	
	(12)	
Fuente: Anuario Estadístico INE/1986.		

Key to Table 16:

- |  |  |
|--|--|
| 1. Renting or Buying?                      | 7. New property access                     |
| 2. Dwellings based on occupancy system (%) | 8. Used property access                    |
| 3. Now                                     | 9. Rental                                  |
| 4. Inheritance                             | 10. Free concession                        |
| 5. New purchase                            | 11. Others                                 |
| 6. Used purchase                           | 12. Source: Statistical Yearbook, INE/1986 |

(1) LEVANTAR UNA CASA				
(2) Construcción de viviendas en España				
	1978	1984	1985	1986
Viviendas protegidas terminadas (3)	162.294	134.585	128.611	122.213
Viviendas libres terminadas (4)	157.531	69.942	62.838	73.005
TOTAL	319.825	204.527	191.449	195.218
Viviendas de protección estatal: (5)				
- Calificadas provisionalmente (6)	201.113	109.182	126.299	123.909
- En construcción (7)	426.135	119.711	141.829	122.403
Fuente: SEOPAN. (8)				

Key to Table 17:

- |                                  |  |
|----------------------------------|--|
| 1. Building a House              | 5. Dwellings with state protection                             |
| 2. Housing construction in Spain | 6. Provisionally authorized                                    |
| 3. Finished protected dwellings  | 7. Under construction  |
| 4. Finished open dwellings       | 8. Source: Group of Public Works Enterprises of National Scope |

(1) AGUA CORRIENTE		
El agua corriente en las viviendas (%)		
(2)	(3)	
	Ahora	1977
No tiene (4)	3,8	13
Sólo fría (5)	19,5	37
Calentador individual (6)	71,4	50
Central (7)	5,3	
	(8)	
Fuente: Anuario Estadístico INE/1986.		

Key to Table 18:

- |                                   |   |
|-----------------------------------|---|
| 1. Running Water                  | 5. Only cold                              |
| 2. Running water in dwellings (%) | 6. Individual heater                      |
| 3. Now                            | 7. Central heater                         |
| 4. Have none                      | 8. Source: Statistical Yearbook, INE/1976 |

(1) PASAR FRIO		
(2) La calefacción en las viviendas (%)		
	(3)	
	Ahora	1977
Sin calefacción (4)	45	61,7
Individual móvil (5)	42	21,1
Individual fija (6)	7	8,8
Central (7)	8	8,5
(8) Fuente: Anuario Estadístico INE/1986.		

Key to Table 19:

- |                             |  |
|-----------------------------|--|
| 1. Enduring Cold            | 5. Mobile individual                     |
| 2. Heating in dwellings (%) | 6. Fixed individual                      |
| 3. Now                      | 7. Central heating                       |
| 4. Without heat             | 8. Source: Statistical Yearbook INE/1987 |

(1) ASI SE GASTA EL DINERO						
(2) Cómo se lo gastan los españoles (%)						
	(3) Familias campesinas		(4) Familias urbanas		(5) Total nacional	
	(6) Ahora	1977	(6) Ahora	1977	(6) Ahora	1977
Productos alimenticios y bebidas (7)	34,65	52,32	27,72	42,14	30,73	44,2
Vestido y calzado (8)	8,65	7,6	8,41	7,9	8,52	7,7
Vivienda, calefacción y alumbrado (9)	17,40	12,35	18,17	14,82	17,84	14,91
Menaje y servicios para el hogar (10)	7,16	5,98	7,78	8,59	7,51	8,13
Servicios médicos y conservación de salud (11)	2,31	3,01	2,40	2,46	2,36	2,64
Transportes y comunicaciones (12)	12,96	17,84	14,33	10,22	13,73	9,35
Esparcimiento, enseñanza y cultura (13)	5,47	4,98	7,60	7,86	6,68	7,13
Otros gastos (14)	11,39	5,87	13,59	6,01	12,63	5,94
TOTAL	100,00	100,00	100,00	100,00	100,00	100,00
(15) Fuente: Anuario Estadístico INE/1986.						

Key to Table 20:

- |                               |   |
|-------------------------------|---|
| 1. How They Spend Money       | 9. Housing, heat, and lighting            |
| 2. How Spaniards spend it (%) | 10. Housewares and household services     |
| 3. Farming families           | 11. Medical services and health care      |
| 4. Urban families             | 12. Transportation and communication      |
| 5. National total             | 13. Recreation, education, and culture    |
| 6. Now                        | 14. Other expenses                        |
| 7. Food and beverage products | 15. Source: Statistical Yearbook INE/1986 |
| 8. Clothing and shoes         |   |

(1) HACIENDA APRIETA 1977-1987		
(2) Lo que pagamos en impuestos		
Años (3)	Valor absoluto (4) (millones de pts.)	(5) Incremento % año anterior
1977	1.060.000	30,93
1978	1.433.000	28,51
1979	1.680.000	17,23
1980	1.994.000	18,69
1981	2.387.500	19,73
1982	2.836.575	18,8
1983	3.402.110	19,93
1984	4.068.510	19,58
1985	4.594.280	12,92
1986	5.472.900	19,12
1987	6.705.100	22,51

Key to Table 21:

- |                         |   |
|-------------------------|---|
| 1. Treasury Squeeze     | 4. Absolute value (millions of pesetas) |
| 2. What we pay in taxes | 5. % increase over previous year        |
| 3. Years                |   |

(1) DE DONDE SALE EL DINERO	
(2) Lo que pagamos los españoles (millones de ptas.)	
IRPF (3)	2.165.000
Otros impuestos directos (4)	845.000
Impuestos indirectos (5)	3.052.000
Otras tasas e ingresos (6)	743.000
TOTAL	6.705.100

Key to Table 22:

- Where the Money Goes
- What we Spaniards pay (millions of pesetas)
- Personal income tax
- Other direct taxes
- Indirect taxes
- Other levies and revenues



**(1) CADA DIA MAS GRANDE**

<b>(2) Presupuestos del Estado (miles de millones)</b>	
1977	967,25
1978	1.433,00
1979	1.747,50
1980	2.284,45
1981	2.283,20
1982	3.533,82
1983	4.500,00
1984	5.399,99
1985	6.113,08
1986	7.619,32
1987	7.773,92

Key to Table 23:

1. Larger Every Day
2. State budgets (billions)

**(1) JUGARSE LOS CUARTOS**

<b>(2) Lo que se gastaron en juego los españoles en 1985</b>				
	<b>(3) Cuántos hay</b>	<b>(4) Visitantes (miles)</b>	<b>(5) Cantidad jugada (millones)</b>	<b>(6) Recaudación fiscal (millones)</b>
Casinos	19	3.281	41.404	6.713
Bingos	718	191.972	316.687	63.337
Máquinas de azar (7)	523.800	—	313.750	27.697
	<b>(8) Vendedores</b>	<b>(5)</b>	<b>Cantidad jugada (millones)</b>	<b>Recaudación fiscal (millones)</b>
Lotería (9)	2.187		322.183	86.989
Quinielas (10)	10.153		60.143	(1)
ONCE	13.000		118.078	
(1) El 22 por 100 de los ingresos totales se lo llevaba el Consejo Superior de Deportes y las Diputaciones Provinciales un 11 por 100 en 1980. (11)				
Fuente: Libro Blanco del Juego. Ministerio del Interior.				

Key to Table 24:

- |   |   |
|---|---|
| 1. Gambling the Money                       | 8. Vendors  |
| 2. What Spaniards spent on gambling in 1985 | 9. Lottery  |
| 3. How many there are                       | 10. Punts   |
| 4. Visitors (1,000s)                        | 11. 22% of the total income was taken by the Superior Council of Sports and 11% by the Provincial Chambers of Deputies in 1980. |
| 5. Amount gambled (millions)                | 12. Source: White Book on Gambling, Ministry of Interior  |
| 6. Treasury collection (millions)           |   |
| 7. Slot machines                            |   |

Key to Table 25:

- |                           |                                   |
|---------------------------|-----------------------------------|
| 1. Round Trips            | 4. Period Jan-Jun                 |
| 2. Spaniards' exit abroad | 5. 24-hour exits to Andorra       |
| 3. Foreigners' entry      | 6. Source: Secretariat of Tourism |

<b>(1) VIAJES DE IDA Y VUELTA</b>	
<b>(2) Salida de españoles al extranjero</b>	
1980	17.705.431
1981	14.312.380
1982	13.896.497
1983	14.244.937
1984	14.619.187
1985 *	15.651.101
1986 *	17.637.247
1987 *(1)	7.581.814
<b>(3) Entrada de extranjeros</b>	
1980	38.026.816
1981	40.129.323
1982	42.011.141
1983	41.263.334
1984	42.931.658
1985	43.235.363
1986	47.388.793
1987 (1)	18.473.589
1) Período enero-junio. (4) * Salidas de 24 horas a Andorra: 1985: 6.704.000 (5) 1986: 7.610.788 1987: 3.554.747	
Fuente: Secretaría de Turismo. (6)	

<b>(1) EL PODER DE LA BANCA</b>		
<b>(2) Depósitos y préstamos de la Banca, junio 1987</b>		
	<b>(3) Total pasivo (mill. ptas.)</b>	<b>(4) Empréstitos y acreedores (mill. ptas.)</b>
Grupo Banco Central (5)	3.438.647	2.474.858
Grupo Banco Vizcaya (6)	3.358.824	2.005.860
Grupo Banesto (7)	3.191.455	2.443.333
Grupo Banco Hispano Ame- ricano (8)	2.992.309	2.005.647
Grupo Banco Santander (9)	2.911.819	1.789.841
Grupo Banco Bilbao (10)	2.903.579	1.954.874
Grupo Banco Exterior (11)	2.296.879	843.583
Grupo Banco Popular (12)	1.759.534	1.372.721
Grupo Citibank (13)	404.127	288.980
Grupo Banca March (14)	392.995	252.463
Grupo Barclays (15)	324.850	137.229
Grupo Banco Zaragozano (16)	266.080	190.359
Grupo BNP (17)	265.785	74.751
Grupo Banco Arabe Español (18)	226.006	27.747
Grupo Banco Herrero (19)	195.190	153.296

Key to Table 26:

- |  |                             |
|--|-----------------------------|
| 1. The Power of the Banks                    | 11. Exterior Bank Group     |
| 2. Bank deposits and loans, June 1987        | 12. Popular Bank Group      |
| 3. Total liabilities (millions of pesetas)   | 13. Citibank Group          |
| 4. Loans and creditors (millions of pesetas) | 14. March Banking Group     |
| 5. Central Bank Group                        | 15. Barclay's Group         |
| 6. Vizcaya Bank Group                        | 16. Zaragozan Bank Group    |
| 7. Spanish Credit Bank Group                 | 17. BNP Group               |
| 8. Hispano-American Bank Group               | 18. Arab-Spanish Bank Group |
| 9. Santander Bank Group                      | 19. Herrero Bank Group      |
| 10. Bilbao Bank Group                        |                             |

(1) LOS DIEZ PRINCIPALES			
(2) Multinacionales en España			
(3) Nombre	(4) Ventas (miles de millones)	(5) Actividad	(6) País
FASA Renault	235.493	(7) Automóviles	(11) Francia
SEAT	208.353	(7) Automóviles	(12) Alemania
Ford España	195.040	(7) Automóviles	(13) EE UU
IBM	191.982	(8) Informática	(13) EE UU
General Motors	172.451	(7) Automóviles	(13) EE UU
Citroën	110.488	(7) Automóviles	(11) Francia
Michelin	100.900	(9) Química	(11) Francia
Dow Chemical	98.552	(9) Química	(13) EE UU
Talbot	98.115	(7) Automóviles	(11) Francia
Pryca	95.363	(10) Distribución	(11) Francia

Key to Table 27:

- |                            |                  |
|----------------------------|------------------|
| 1. The 10 Leaders          | 8. Computers     |
| 2. Multinationals in Spain | 9. Chemical      |
| 3. Name                    | 10. Distribution |
| 4. Sales (billions)        | 11. France       |
| 5. Activity                | 12. Germany      |
| 6. Country                 | 13. U.S.         |
| 7. Automobiles             |                  |

(1) COCHES EN CADENA	
(2) Producción de automóviles (unidades en 1986)	
EE UU (3)	7.826.776
Japón (4)	7.809.809
R. F. Alemania (5)	4.310.828
Francia (6)	2.773.094
Italia (7)	1.652.452
España (8)	1.532.623
Fuente: M. Industria y Energía. (9)	

Key to Table 28:

- |  |
|--|
| 1. Mass-Produced Cars                      |
| 2. Car production (units in 1986)          |
| 3. U.S.                                    |
| 4. Japan                                   |
| 5. Federal Republic of Germany             |
| 6. France                                  |
| 7. Italy                                   |
| 8. Spain                                   |
| 9. Source: Ministry of Industry and Energy |

## POLL REVEALS WIDESPREAD SKEPTICISM, SELF-SATISFACTION

35480022 Madrid CAMBIO 16 in Spanish 26 Oct 87 pp 78-85

[Article by Ricardo Herren: "Resigned, But Contented"]

[Text] In 1987, Spain is a nation of skeptics and pessimists who, nevertheless, consider themselves fairly happy or satisfied with the lives they are leading. Spaniards have far more faith in the chances for inner, individual achievement than in the prospects of happiness offered them, as a whole, by public Spain: associated with politics, macroeconomics, and social movements. As one of the persons interviewed by this magazine put it: "There is nothing to be expected of the state: it is completely rotten; what concerns me is having privacy in my home and my work."

These are the most substantial results of an extensive poll entitled "Sociological Study of the Current Spanish Situation," taken by Emopublica/CAMBIO 16 this year, based on 1,200 interviews throughout the country. Its conclusions are comparable to those of a similar study made by this magazine a decade ago, which was published under the title "This Is Spain, Gentlemen."

Most Spaniards are skeptical of the chances for an improvement in the economy, in politics, and in the society as a whole. They are more dissatisfied with the country's situation and with the lives they are leading now than they were 10 years ago. The disenchantment phase following that of political transition seems to have affected this country's citizens with a degree of bitterness and disbelief that are markedly visible, as well as greater despair concerning the future and even the present.

Spain's political transformation has disillusioned a sizable portion of Spaniards, who claim not to have received anything from democracy. However, the sociologists responsible for the 1987 poll note that this doesn't mean that they disagree with the system but, rather, that they feel dissociated from the political processes decided on in the palace, as usual. The sociologists remark: "Spaniards are also aware that their role as citizens of the state, as employed or unemployed persons in production, as members of a family, or as members of the society, is as irrelevant as it was during Franco's time."

What Spaniards do not complain of is the freedom that they have achieved during the past 10 years, as an asset of democracy. But, they have felt cheated in their expectations that the transformation of the political system would mean an improvement in their living standard and in social coexistence: Unemployment is the main concern of this country's citizens, followed by terrorist and criminal violence. Spain has become an increasingly violent society, and the lack of jobs is not unconnected with the insecurity felt by Spaniards on the street and even in their own homes.

In 1977, over 90 percent of those polled gave an affirmative answer to the question as to whether or not they had jobs; 10 years later, only slightly more than half answered the same question affirmatively. Strangely enough, it is those who vote for the Communists who show a higher employment rate; while those who back conservative options with their votes prove to be the ones most unemployed.

### Satisfied and Happy

However, although it may seem paradoxical, Spaniards are not an unhappy people; in all matters directly affecting their private lives, they show a degree of satisfaction that contrasts with their more bitter view of the society as a whole. An overwhelming majority of this country's citizens (nearly two thirds) claim to be satisfied or very satisfied with the lives they are leading; even though the proportion is smaller than 10 years ago. Over half are satisfied with their work. But those who have a harmonious relationship with their jobs number even more: They believe that they are suitably used in the work that they are performing, depending on their ability.

They are satisfied, but also happy; or at least, they have high morale or great shyness about showing their misfortune: Eight out of every 10 Spaniards admit to being happy. But on what do this country's citizens base personal happiness? On wealth? On love? Nothing of the sort. Although people in this country still toast "health, wealth, and love," the most important thing to Spaniards is family unity; a desire that may have resulted from the strong separating migration movements that Spain has undergone during recent decades, or the crisis besetting the traditional family institution in the Western world. Then come children's health and a good job. Only in fourth place, and at somewhat of a distance, does conjugal love come as a condition for happiness.

Money ranks only in fifth place. Taken as a whole, Spaniards are not a society that is greedy or with financial ambitions; rather, on the whole, they are conservatives who love security more than adventure, and leisure more than work; and for the sake of security and comfort, they are willing to sacrifice the size of their monetary holdings. And, from this standpoint, they have reason to consider themselves happy: Spaniards as a whole have succeeded in reducing their work hours by 1 hour a day, compared with 10 years ago.

A large majority appear to have more of a civil servant's mentality than that of a capitalist entrepreneur; they prefer stable and poorly paid work to



adventure with a job from which they might be ousted, even though it may bring them more money. And, furthermore, free time comes before pay: it is better (nearly two thirds of Spaniards think) to have a low-paying job that leaves more free time than the opposite. A more modern toast might be: "United family, health, work, and leisure."

But, for what do they want spare time at the cost of money? First, to watch television. During the past 10 years, this country's citizens have become TV addicts: In 1977, only 18 percent devoted their time to sitting passively in front of the "boob tube," while now, over half are dazzled by Spain's "better television," despite its dubious quality and the meagerness of options and offerings.

Then, they want to engage in cultural activities, ranging from reading to dedication to music. Ranking third is engagement in sports which, in Spain, has risen from a small 17 percent in 1977 to over 45 percent this year. The youth are the ones spending most of their spare time on cultural activities (three quarters of them claim to do so), and the ones most enthusiastically devoted to music. And it is the economically more endowed classes that most spend their time on reading.

#### How to Invest Money

But culture is not the greatest concern nor the greatest unfulfilled desire of Spaniards. What would happen if, suddenly, the lives of these conservatives, concerned over security, who are not very greedy or adventurous, and who are skeptical about public life, were to be taken by surprise with a sudden increase in their financial resources? To what would they devote those greater opportunities afforded them by wealth? Well, to a certain amount of adventure: first, long trips, that would break the monotony. But, immediately thereafter, they would spend it on the purchase of a dwelling in which to become established upon their return. And only in third place would they invest that money to make it produce; and in sixth place, they would save it (61 percent of Spaniards live from one day to the next, without saving a cent). Rather than the latter, the people in this country prefer to raise their living standard, or make improvements in their homes.

It is not difficult to confirm the fact that Spain consists mainly of moderate citizens, anxious about security and distrustful or skeptical about new things. The new technologies disturb many of those polled, more than the number made enthusiastic by them. A majority think that, rather than making their lives easier, the scientific and technical discoveries might represent a threat to their jobs: "Robots" or other "gadgets" replacing blue or white-collar workers is a nightmare that could come true for a large number of Spaniards.

At the same time, this country's inhabitants accept the social changes, but not to excess. A majority, albeit small, agree that the current abortion law should not be expanded to allow for a freer system. On the whole, they accept the Spain of the autonomous regions, but a large percentage of Spaniards (36 percent) still feel that a centralized government in Madrid,

such as had always existed, would be better. And virtually half prefer that Spain have a regime controlled by one or two large political parties. The latest major innovation, Spain's membership in the European Economic Community, leaves the large majority cold: Two thirds of those interviewed do not feel more integrated into Europe since Spain's entry into the EEC last year.

The poll results appear to refute definitively all the stereotypes that have been contrived regarding this country's citizens: They are neither conquerors nor adventurers, drunk with ambition and greedy for wealth, nor lovers of violence who are crazed by the blood of bulls and bull-fighters, nor utopian revolutionaries capable of fighting over insignificant things. Nor, of course, are they religious fanatics, obsessed with violations of the stringent sexual taboos.

"The spiritual stronghold of the West" (if it ever existed beyond the feverish fantasy of the former regime) currently consists of a group of unbelievers, who retain the label of Catholics out of the traditional inertia. This is not even the most religious country in Europe, from the standpoint of fundamental beliefs, such as in the existence of God. Nearly two thirds of believers admit that they practice the worship related to their religion, the Roman Catholic, of course, little or not at all. Comparatively speaking, during the last decade the Church has lost a sizable number of practicing members.

The general moderation of Spaniards belies all types of extremism. Only 12 years since the death of Francisco Franco, and 10 since the first democratic elections, those nostalgic for the old dictator and his followers (the far right) represent only 0.4 percent of the voters, and the far left, 1.4 percent, according to the political self-description given by those polled.

This is a country of people with rather conservative habits, but not those of the right: The majority (a third) assume an ideological position on the moderate left in this country, or left of center; and a fifth, plainly in the center. The civilized right attracts only 14 percent of those polled; a figure which coincides approximately with the results of the last elections. Another 31 percent attest to the country's meager political cultivation, or disinterest in "res publica" [political affairs], when admitting that they don't know how to describe themselves politically.

Roughly speaking, this is the Spain of 1987, as the Spaniards themselves depict it: a country increasingly resembling those of Western Europe, comprised of citizens who are rather cautious and conservative in habits, but susceptible to the changes that they desire and express in leftist political positions; optimistic regarding their own lives, with which they are satisfied, and both disbelieving regarding politics and skeptical concerning the state and its institutions. They are more concerned over security, which they see endangered, than over freedom, which finally seems guaranteed, after too many centuries of tyranny.

**(1) RENDIMIENTO PERSONAL**

¿En su trabajo cree usted que está utilizando de acuerdo a su capacidad, por encima o por debajo? (En %)

	1978	1987
(3) Por encima de su capacidad	5	4
(4) De acuerdo a su capacidad	61	63
(5) Por debajo de su capacidad	29	29
(6) No sabe/No contesta	5	3

Key to Table 1:

1. Personal Achievement
2. In your job, do you think you have been used based on your capacity, beyond it, or below it? (in %)
3. Above capacity
4. Based on capacity
5. Below capacity
6. Don't know/no answer

**(1) SATISFACCION EN EL TRABAJO (En %)**

	1978	1987
(2) Muy o bastante satisfecho	45	51
(3) Algo satisfecho	16	18
(4) Ni satisfecho ni insatisfecho	12	15
(5) Algo insatisfecho	8	8
(6) Muy o bastante insatisfecho	11	7
(7) No sabe/No contesta	7	1

Key to Table 2:

1. Satisfaction in Work (in %)
2. Very or quite satisfied
3. Somewhat satisfied
4. Neither satisfied nor dissatisfied
5. Somewhat dissatisfied
6. Very or quite dissatisfied
7. Don't know/no answer

**(1) ESTABILIDAD EN EL TRABAJO Y DINERO**

Si tuviera que elegir entre estas opciones, ¿para usted cuál es la más importante? (En %)

	1978	1987
1.		
- Tener un trabajo para toda la vida, pero con poco sueldo (3)	66	79
- Tener un trabajo con buen sueldo, pero que se pudiera quedar sin él (4)	22	13
2.		
- Tener más tiempo libre ganando menos dinero (5)	41	49
- Ganar más dinero teniendo menos tiempo libre (6)	41	41
El complemento a ciento por ciento de cada opción corresponde a no sabe/no contesta. (7)		

Key to Table 3:

1. Stability in Work and Money
2. If you had to chose among these options, which is most important to you (in %)?
3. Having a job for life, but with low pay
4. Having a job with good pay, but could be left without it
5. Having more free time, earning less money
6. Earning more money, having less free time
7. The 100 % complement of each option relates to "don't know/no answer"

(1) **EXPECTATIVA Y REALIDAD  
DE LA DEMOCRACIA**

Key to Table 4:

¿Está Vd. satisfecho o insatisfecho de la forma en que ha empezado a funcionar (en 1987: en que está funcionando) la democracia en este país? (En %)

	1978	1987
Muy satisfecho (3)	5	2
Bastante satisfecho (4)	40	30
Ni satisfecho ni insatisfecho (5)	1	32
Bastante insatisfecho (6)	25	24
Totalmente insatisfecho (7)	7	7
No sabe/No contesta (8)	22	5

1. Expectations and Reality of Democracy
2. Are you satisfied or dissatisfied with the way in which democracy in this country has started operating (in 1987: in which it is operating)? (in %)
3. Very satisfied
4. Quite satisfied
5. Neither satisfied nor dissatisfied
6. Quite dissatisfied
7. Totally dissatisfied
8. Don't know/no answer

(1) **SITUACION PERSONAL Y DEMOCRACIA (En %)**

	1978	1987 (3)
(2) ¿Qué cree que le puede dar a usted la democracia?		¿Qué ha ganado usted personalmente con la democracia?
Más libertad (4)	38	33
Más posibilidad de consumo (5)	6	3
Vivir mejor (6)	23	7
Mejor convivencia (7)	20	8
No tener que aguantar lo que no sea justo (8)	19	10
Tener la posibilidad de protestar (9)	15	17
Mayor participación del ciudadano en la vida pública (10)	28	17
Otras cosas (11)	1	2
Ninguna (1978), nada (1987) (12)	6	37
No sabe/No contesta (13)	13	5

(Los porcentajes suman más del ciento por ciento al admitirse más de una respuesta)

Key to Table 5:

1. Personal Situation and Democracy (in %)
2. What do you think democracy can give you?
3. What have you personally gained from democracy?
4. More freedom
5. More chance for consumption
6. Living better
7. Better coexistence
8. Don't have to put up with what is unjust
9. Have chance to protest
10. Greater citizens' participation in public life
11. Other things
12. No one thing (1978), nothing (1987)
13. Don't know/no answer
14. The percentages total over 100% since more than one answer is allowed

# **OBSTACULOS PARA CONSOLIDAR**

## **(1) LA DEMOCRACIA (En %)**

	De acuerdo	
	1978	1987
La falta de preocupación de los españoles (3)	39	59
La carencia de líderes políticos (4)	12	41
El que los sindicatos que existen son débiles (5)	13	45
El paro (6)	35	85
El terrorismo (7)	32	83
La posible actitud de algunos militares (8)	11	50
Los intereses de otros países (9)	12	47
La crisis económica (10)	33	77
La extrema derecha (11)	18	0
La extrema izquierda (12)	7	31

(Los porcentajes totales suman más del ciento por ciento al admitirse más de una respuesta) (13)

## **(1) ACTITUD RELIGIOSA (En %)**

	1978	1987
Católico practicante (2)	51	49
Católico no practicante (3)	32	38
No católicos (4)	17	23

## **(1) INDICE DE SATISFACCION**

¿Está usted satisfecho o insatisfecho con la vida que lleva? (En %)

	1978	1987
Satisfecho (3)	82	84
Insatisfecho (4)	17	15
No sabe/No contesta (5)	1	1

## **(1) ¿ES USTED FELIZ? (En %)**

	1978	1987
Si (2)	80	82
No	9	11
No sabe/No contesta (3)	11	7

Key to Table 6:

1. Obstacles to Consolidation of Democracy (in %)
2. Agree
3. Spaniards' lack of concern
4. Lack of political leaders
5. Fact that existing trade unions are weak
6. Unemployment
7. Terrorism
8. Potential attitude of certain military
9. Other countries' interests
10. Economic crisis
11. Extreme right
12. Extreme left
13. The total percentages are over 100% since more than one answer is allowed

Key to Table 7:

1. Religious Attitude (in %) 3. Non-practicing Catholic
2. Practicing Catholic 4. Non-Catholic

Key to Table 8:

1. Index of Satisfaction
2. Are you satisfied or dissatisfied with the life you are leading? (in %)
3. Satisfied
4. Dissatisfied
5. Don't know/no answer

Key to Table 9:

1. Are You Happy? (in %)
2. Yes
3. Don't know/no answer

Key to Table 10:

1. Resolution or Inviability of Spanish Problems (in %)
2. Easier
3. More difficult
4. Health care
5. Good education
6. Good employment
7. Decent housing
8. Adequate food



9. Job satisfaction
10. Clean environment
11. Nature conservation
12. Pleasant city for living
13. Good transportation
14. Good treatment from authorities

15. Respect for authority
16. Don't know/no answer
17. (1) On this list, which do you consider the easiest things to achieve?
18. (2) And the three you consider most difficult?

(1) RESOLUCION O INVIABILIDAD DE PROBLEMAS ESPAÑÓLES (En %)				
(2)	Más fáciles <sup>(1)</sup>		Más difíciles <sup>(2)</sup>	
	1978	1987	1978	1987
Asistencia sanitaria (4)	27	33	46	36
Buena educación (5)	31	37	41	20
Buen empleo (6)	13	4	55	78
Vivienda digna (7)	23	14	27	24
Alimentación adecuada (8)	34	30	9	5
Satisfacción ocupacional (9)	27	18	10	3
Medio limpio (10)	12	8	24	27
Conservación naturaleza (11)	11	9	14	8
Ciudad grata para vivir (12)	16	18	13	7
Buen transporte (13)	26	17	7	4
Buen trato autoridad (14)	20	13	18	11
Respeto a autoridad (15)	17	8	11	6
No sabe/No contesta (16)	11	16	8	6

(1) De esta lista de cosas cuáles piensa usted que son las más fáciles de conseguir. (17)

(2) Y las tres que usted piensa que son las más difíciles. (18)

#### ACTIVIDAD EN EL TIEMPO LIBRE (En %)

(1)	1978	1987
Leer (2)	30	35
Estudiar (3)	5	8
Escuchar música (4)	7	16
Ir al cine, teatro (5)	10	8
Hacer punto (6)	4	20
Pasear (7)	10	34
Practicar algún deporte (8)	17	45
Ver la televisión (9)	18	50
Ir al campo (10)	2	14
Descansar (11)	6	21
Estar con los amigos (12)	13	22
Estar con la familia (13)	11	28
Ir al bar, pubs, etc. (14)	9	16
Viajar (15)	3	7
Tareas del hogar (16)	17	38

(En total suman más del ciento por ciento al admitirse más de una respuesta) (17)

Key to Table 11:

1. Leisure Time Activity (in %)
2. Reading
3. Studying
4. Listening to music
5. Attending films, theater
6. Knitting
7. Walking
8. Engaging in a sport
9. Watching television
10. Going to the country
11. Resting
12. Being with friends
13. Being with family
14. Going to a bar, pub, etc.
15. Traveling
16. Household chores
17. The total is over 100% since more than one answer is allowed

# (1) **ESPERANZA EN EL FUTURO DE ESPAÑA**

En este momento tiene usted más o menos esperanzas en el futuro de España que tenía hace diez años cuando volvió la democracia. (En %) (2)

	Total Nac.	Sexo (3)	
		Hombre	Mujer
Más esperanza (7)	45	49	40
Igual de esperanza (8)	24	21	28
Menos esperanza (9)	23	24	22
No sabe/No contesta (10)	8	6	10

Key to Table 12:

1. Hope in Spain's Future
2. Do you now have more hope in Spain's future than you had 10 years ago when democracy returned? (in %)
3. Sex
4. National total
5. Men
6. Women
7. More hope
8. Same hope
9. Less hope
10. Don't know, no answer

(1) <b>INTEGRACION EN EUROPA</b>	
(2) Después de nuestro ingreso en el Mercado Común, se siente usted más integrado en Europa que antes. (En %)	
Sí (3)	22
Más o menos igual que antes (4)	66
No	7
No sabe/No contesta (5)	5
- Hasta qué punto ha afectado en su vida cotidiana nuestra integración en la CEE. (6)	
Mucho o bastante (7)	14
Regular (8)	13
Poco o nada (9)	69
No sabe/No contesta (5)	4
- De los once países europeos que pertenecen a la Comunidad Europea, por cuáles siente más simpatía (hasta tres respuestas). (10)	
Italia (11)	35
Francia (12)	27
Alemania (13)	26
Holanda (14)	18
Bélgica (15)	15
Portugal	14
Gran Bretaña (16)	13
Grecia (17)	13
Dinamarca	10
Luxemburgo (19)	5
Irlanda	4

Key to Table 13:

1. Integration Into Europe
2. After our entry into the Common Market, do you feel more integrated into Europe than before? (in %)
3. Yes
4. More or less the same as before
5. Don't know/no answer

6. To what extent has our entry into the EEC affected your everyday life?
7. Much or considerably
8. Fairly
9. Little or not at all
10. Of the 11 European countries belonging to the European Community, for which do you feel the most liking?(up to three answers)
11. Italy                      14. The Netherlands      17. Greece                      20. Ireland
12. France                      15. Belgium                      18. Denmark
13. Germany                      16. Great Britain                      19. Luxembourg

(1) SISTEMA JUDICIAL		
Confianza en la justicia y en los jueces.		
(2)	(3) En % (4)	
	Justicia	Jueces
Mucha/bastante (5)	22	19
Regular confianza (6)	28	28
Poca/ninguna confianza (7)	42	41
No sabe/No contesta (8)	8	14
¿Qué prefiere, jueces o jurados? (9)		
Jueces (4)	15	
Jurados (10)	40	
Ambas cosas (11)	21	
No sabe qué es un jurado (12)	5	
No sabe elegir (13)	16	
No contesta (14)	4	

Key to Table 14:

- |                                     |   |
|-------------------------------------|---|
| 1. Judicial System                  | 8. Don't know/no answer                   |
| 2. Confidence in justice and judges | 9. Which do you prefer, judges or juries? |
| 3. Justice (in %)                   | 10. Juries                                |
| 4. Judges                           | 11. Both                                  |
| 5. Much/considerable                | 12. Don't know what a jury is             |
| 6. Fair confidence                  | 13. Don't know how to choose              |
| 7. Little/no confidence             | 14. No answer                             |

#### SISTEMA DE PARTIDOS POLITICOS

(1) (En %)

Pensando en las distintas etapas de estos diez años de democracia, qué situación de partidos políticos cree usted que es más adecuada para el funcionamiento de nuestra democracia. (2)

Muchos partidos (3)	2
Multipartidismo con un número razonable de partidos (4)	34
Bipartidismo (5)	21
Un gran partido hegemónico (6)	28
Otras formas (7)	1
No sabe/No contesta (8)	15

Key to Table 15:

- |   |                |
|---|----------------|
| 1. Political Party System (in %)  |                |
| 2. Considering the various phases of the past 10 years of democracy, what status of political parties do you deem most fitting for the operation of our democracy |                |
| 3. Many parties   |                |
| 4. Multiparty with moderate number of parties   | 7. Other types |
| 5. Two-party  | 8. Don't know/ |
| 6. One large supreme party  | no answer      |

# **(1) ESTADO DE LAS AUTONOMIAS**

Qué prefiere usted, ¿un único gobierno central o un sistema de gobierno autonómico? (En %) (2)

Un gobierno central (3)	36
Un sistema autonómico (4)	49
No sabe/No contesta (5)	16

Este sistema de gobiernos autonómicos es adecuado o insuficiente para resolver los problemas regionales. (6)

Es adecuado (7)	30
Es insuficiente (8)	50
No sabe/no contesta (9)	20

## **(1) EXPERIENCIA PERSONAL En %**

(2) Personalmente ha sido víctima de alguna agresión en los últimos cinco años:

(3) Si	12
No	88

Qué tipo de agresión física ha sufrido (a quienes contestaron «sí» en la anterior pregunta): (4)

Atraco (5)	36
Pelea (6)	20
Le pegaron (7)	14
Cargas policía (8)	5
Discusión por tráfico (9)	2
Otras respuestas (10)	4
No sabe, no contesta (11)	25

## **(1) LOS PROBLEMAS DE ESPAÑA**

¿Cuáles son los principales problemas que tiene España en estos momentos? (En %) (2)

Paro (3)	91
Terrorismo (4)	52
Inseguridad ciudadana (5)	31
Crisis económica (6)	20
Drogas (7)	10
Inflación (8)	7
Desilusión colectiva (9)	5
Tendencia al armamentismo (10)	4
Falta de alternativas al Gobierno del PSOE (11)	4
Crisis de los partidos políticos (12)	3
Deterioro de la naturaleza (13)	3
Pérdida de valores religiosos (14)	2
Las autonomías (15)	1
Conflictos en la enseñanza (16)	1

Key to Table 16:

1. State of Autonomies
2. Which do you prefer, a single central government or an autonomous government system? (in %)
3. A central government
4. An autonomous system
5. Don't know/no answer
6. Is this autonomous government system suitable or insufficient to solve regional problems?
7. It is suitable
8. It is insufficient

Key to Table 17:

1. Personal Experience (in %)
2. Have you personally been a victim of any attack during the past 5 years?
3. Yes
4. What type of physical attack have you suffered? (those who answered "yes" to the previous question)
5. Holdup
6. Fight
7. Was beaten
8. Police attack
9. Traffic dispute
10. Other answers
11. Don't know/no answer

Key to Table 18:

1. Spain's Problems
2. What are Spain's main problems at present?(in %)
3. Unemployment
4. Terrorism
5. Citizens' insecurity
6. Economic crisis
7. Drugs
8. Inflation
9. Collective disillusionment
10. Arming tendency
11. Lack of alternatives to PSOE government
12. Crisis of political parties
13. Deterioration of nature
14. Loss of religious values
15. The autonomous regions
16. Conflicts in education

**(1) PROBLEMAS DE FUTURO**

Key to Table 19:

	En %	
El paro (2)	71	1. Problems of the Future (in %)
Terrorismo (3)	32	2. Unemployment
Subidas de precios (4)	24	3. Terrorism
Justicia social (5)	17	4. Rising prices
Respeto derechos y libertades (6)	8	5. Social justice
Orden público (7)	7	6. Respect for rights and liberties
Estabilidad política (8)	4	7. Public order
Golpe militar (9)	4	8. Political stability
Consolidación de la democracia (10)	3	9. Military coup
La droga (11)	3	10. Consolidation of democracy
Relaciones internacionales (12)	3	11. Drugs
Futuro de los jóvenes (13)	2	12. International relations
Desarrollo tecnológico (14)	2	13. Future of youth
Integración en Europa (15)	1	14. Technological development
		15. Integration into Europe

**(1) LA FELICIDAD DE LOS CIUDADANOS (En %) (2)**

¿Cuáles son las tres cosas que más ayudan a conseguir la felicidad?

(3)	Primer lugar	Segundo lugar	Tercer lugar
La familia unida (6)	23	18	11
La salud de los niños (7)	21	17	14
Tener un buen trabajo (8)	20	13	9
Amor conyugal (9)	11	10	7
Tener suficiente dinero (10)	10	14	12
Paz en España (11)	2	4	7
Mis hijos (12)	2	5	5
El avance en la paz en el mundo (13)	1	2	5

Key to Table 20:

- Happiness of Citizens (in %)
- Which are the three things that most help to achieve happiness?
- First place
- Second place
- Third place
- United family
- Children's health
- Having a good job
- Conjugal love
- Having sufficient money
- Peace in Spain
- My children
- Advancement of peace in the world



(1) DESEOS IRREALIZADOS	
(2) ¿Qué haría usted si inesperadamente aumentaran sus ingresos? (En %)	
Hacer un gran viaje (3)	24
Comprar una casa (4)	24
Invertir en un negocio (5)	17
Aumentar mi nivel de vida (6)	15
Hacer mejoras en el hogar (7)	12
Guardarlo en un banco, ahorarlo (8)	11
Comprar un coche (9)	10
Construir una casa (10)	6
Comprar tierras (11)	5
Comprar acciones (12)	3
Otras cosas (13)	10
No sabe/No contesta (14)	12

Key to Table 21:

1. Unfulfilled Desires
2. What would you do if your income increased unexpectedly? (in %)
3. Take a long trip
4. Purchase a house
5. Invest in a business
6. Raise my living standard
7. Make home improvements
8. Keep it in a bank, save it
9. Purchase a car
10. Build house
11. Purchase land
12. Purchase stocks
13. Other things
14. Don't know/no answer

### (1) QUIEN MANDA EN ESPAÑA

	En %
El gobierno de la nación (2)	40
La Banca (3)	31
Los socialistas desde las diversas instituciones (4)	18
El gobierno central, las autonomías y los ayuntamientos (5)	14
Las grandes multinacionales (6)	13
Los militares (7)	10
La Iglesia (8)	10
El gobierno de los Estados Unidos, indirectamente (9)	9
Los empresarios (10)	8
Los partidos políticos (11)	6
La derecha política (12)	4
Los sindicatos (13)	4
El Parlamento (14)	4
La prensa y medios de comunicación (15)	2

Key to Table 22:

1. Who Is in Control in Spain? (in %)
2. The government of the nation
3. The banks
4. The Socialists in the various institutions
5. The central government, autonomous regions, and town halls
6. The big multinationals
7. The military
8. The Church
9. The United States Government, indirectly
10. The business owners
11. The political parties
12. The political right
13. The trade unions
14. Parliament
15. The press and news media

#### Technical Record:

Universe: population 18 years of age and over, residing on the peninsula and in the Balears. Sample: 1,200 personal interviews in the domicile. Field work: from 12 to 16 March 1987. Execution: Emopublica and Associates, Inc, exclusively for CAMBIO 16

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**END OF**

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